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Changing threat postures from the Soviet Union and the recent conclusion of a very lopsided war in the Middle East have citizens and policy makers critically questioning the military's composition, size and mission. A smaller military combined with significant acquisition policy changes, face the military acquisition community of the future. In order to exist within that new acquisition environment, Program Managers will have to fully understand that environment. The Program Manager will especially need to research the congressional - DoD relationship. It is Congress who authorizes and appropriates funds for DoD acquisition programs. It is also Congress who conducts aggressive oversight of acquisition programs that can affect the PMs leadership of an acquisition program. Developing an understanding about these interactions is the PM's best strategy to prepare for their occurrence.

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The Legislative Role in the Military Acquisition Process

by

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Submitted in partial fulfillment
of the requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL
March, 1992

ABSTRACT

Changing threat postures from the Soviet Union and the recent conclusion of a very lopsided war in the Middle East have citizens and policy makers critically questioning the military's composition, size and mission.

A smaller military combined with significant acquisition policy changes, face the military acquisition community of the future. In order to exist within that new acquisition environment, Program Managers will have to fully understand that environment. The Program Manager will especially need to research the congressional - DoD relationship.

It is Congress who authorizes and appropriates funds for DoD acquisition programs. It is also Congress who conducts aggressive oversight of acquisition programs that can affect the PM's leadership of an acquisition program. Developing an understanding about these interactions is the PM's best strategy to prepare for their occurrence.

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I. INTRODUCTION

A. INTRODUCTION

Fiscal realities of the post cold war era will present challenges to the Department of Defense Acquisition System unlike any that have been experienced in the past. Changing threat postures from the Soviet Union and the recent conclusion of a very lopsided war in the Middle East have citizens and policy makers critically questioning the military's composition, size and mission. Those fundamental doubts have rocked the military acquisition community at its very foundation. On 24 January, 1992, the New York Times reported that a Department of Defense proposal may make traditional military acquisitions obsolete:

> In a shift that could save billions of dollars in future military spending, the Pentagon plans to suspend production of most new weapons after developing test models, senior Defense Department officials said today.
>
> The production phase is by far the most expensive stage in buying new weapons, consuming 35 to 45 percent of the total cost, while the research, design and development of test models, or prototypes, usually represents 20 to 25 percent.
>
> Congress will ultimately decide whether the new plan goes into effect through its control over the Pentagon budget, and opposition appears likely because lawmakers, while generally favoring cuts in military spending, do not like to slash weapons manufacturing that benefits their districts and states.

Few argue for a total abandonment of our military. Threats to the stability of our nation continue to exist in

various forms and locations. The composition and size of the force to meet that threat are up for considerable debate. It is evident though, that a significant downsizing of the military is going to occur. That decrease in the size of the military will affect the way the defense acquisition community conducts its business. In order to survive the challenges before them, program and project managers must fully understand the culture and environment within which their programs must be pursued. That culture and environment is significantly shaped by the United States Congress.

Acquisition managers will have to thoroughly understand the Congress in order to effectively perform their jobs. Congress has the ability to exert influence over the Program Manager and all phases of the military acquisition process. That process spans a series of phases from Concept Exploration and Definition through a Major System Upgrade or System Retirement. Congress authorizes and appropriates funds to those programs throughout the acquisition phases. Congress has the constitutional right and obligation to oversee the spending of appropriated funds. One of the major uses of appropriated funds is acquiring military equipment for the Department of Defense (DoD). The DoD in turn develops the system for eventual fielding to military units.

This thesis, entitled, "The Legislative Role in the Military Acquisition Process," will examine how the legislative branch interacts with and oversees the military

acquisition process within the Department of Defense and the military Services. It will focus on the Concept Exploration and Definition Phase, Demonstration and Validation Phase, Engineering and Manufacturing Development Phase, and Production and Deployment Phase of the acquisition process.

The thesis is written as an instructional tool or guide to assist individuals in the acquisition field to understand how to interact with Congress in the management of programs. It will also examine the motivational factors behind congressional influence. The thesis will then examine why a Project/Program Manager needs to understand this interaction with Congress. Lastly, the thesis will suggest ways of using congressional influence to actually strengthen a program. The research questions to be answered, discussion, scope of the thesis, methodology, chapter outline, and benefits of the study are outlined below.

B. RESEARCH QUESTIONS

The primary research question is: What is the effect that Congress has on the Military Acquisition Process?

Subsidiary research questions include:

1. During what specific phases of the Acquisition Process do Congress and DoD Service officials interface?
2. What is the nature of this interaction? What are the purposes and implications of this interaction? What is the motivation behind Congress' interaction?

3. How will the Project/Program manager benefit from understanding the role of Congress? Can congressional intervention be anticipated? What Program Manager response to congressional intervention would be considered appropriate?

4. Are there historical examples that illuminate the congressional effect on the acquisition process?

C. DISCUSSION

Congress has the ability to exert influence over different aspects of the military acquisition process. This thesis will explore the nature and purpose of this influence. The acquisition process includes a series of phases from Concept Exploration and Definition to a Major Upgrade or System Replacement. Throughout this process the Program Manager will encounter oversight and potential micromanagement from the Congress. How the PM handles this interaction may well determine the future of his program. There are correct and incorrect ways for the PM to respond to Congress. This thesis will examine various courses of action for the PM to take in response to congressional inquiries. It will also address appropriate attributes those responses should include.

D. SCOPE OF THE THESIS

This thesis has been written for Program Managers or students of the acquisition process. It is intended to

examine how members of Congress interact with the acquisition process. Specifically, the thesis will address how Congress may affect the Program Manager in the management of his program.

The intent of this thesis is not to affix blame on the Congress or the Department of Defense for the problems in the acquisition process. It is rather, written to be instructional by nature to provide insights as to where problems exist. After identifying the problem areas, the researcher offers potential courses of action to alleviate those problems.

E. METHODOLOGY

Most of the research data will be taken from congressional records, defense periodicals, and texts. Personal interviews with congressional staff and DoD/Department of the Army Project/Program offices, and other individuals involved with the two organizations being studied will provide additional information for this research. A Defense Technical Information Center (DTIC) and Defense Logistics Studies Information Exchange (DLSIE) search of literature will also be conducted.

F. CHAPTER OUTLINE

I. INTRODUCTION - The introduction will identify the two organizations under study - Congress and the armed forces.

The chapter will briefly outline the objectives and organization of the thesis.

II. THE ACQUISITION PROCESS - This chapter will begin with a brief description of the acquisition process from Concept Exploration and Definition through Production and Deployment. The examination of the process will include Research, Development, Test and Evaluation (RDT&E) as an integral part of the acquisition process.

III. CONGRESS - GOOD POLICY, PAROCHIALISM AND REELECTION - Why is Congress interested in the acquisition process? This chapter will examine the motivation associated with congressional oversight and defense budgeting.

IV. CONGRESS AND THE ACQUISITION PROCESS - WHERE THE TWAIN MEET - This chapter will examine the ways and means used by Congress to affect defense acquisition. It will also address congressional and DoD initiatives to reform the acquisition process.

V. HISTORICAL EXAMPLES OF CONGRESSIONAL OVERSIGHT - This chapter will look at documented examples of congressional intervention into defense acquisition programs and indicate lessons learned for program management.

VI. PROGRAM MANAGERS - PUPPET OR PUPPETEER - How can the Program/Project Manager anticipate and interact with Congress to improve project management?

VII. CONCLUSIONS AND RECOMMENDATIONS - This chapter will summarize the findings of the research. It will then

recommend the best course of action for the Program Manager to take in dealing with the congressional environment.

G. BENEFITS OF STUDY

Decreasing defense dollars and increased congressional oversight pose significant challenges to the acquisition process. It will be critical for Program Managers to understand every aspect of the environment within which their program will be developed. An integral part of that environment is congressional influence. This study will identify obstacles to weapons acquisition programs while offering solutions to those obstacles. In a time of increasing congressional oversight, this study attempts to identify issues before they actually occur. The ability to foresee problems before they occur will be invaluable in today's fiscally constrained climate.

The analysis will also address congressional and DoD initiatives to reform the acquisition process. Those reforms could potentially save taxpayer dollars.

The thesis will be distributed to the acquisition faculty of the Naval Postgraduate School. A copy will also be furnished to the Director of the Army Acquisition Corps.

H. CONCLUDING INTRODUCTORY REMARKS

It is important at the outset of this thesis to understand who the major participants in the acquisition

process are. According to J. Ronald Fox author of Defense Management Challenge, the major participants include:

> The Congress, the Office of Management and Budget (OMB), the Office of the Secretary of Defense (OSD), the Office of the Service Secretary, the service headquarters staff, the military service material commands (the location of the program management offices), and industry. Each of the participants in the acquisition process exercises an oversight responsibility to ensure that laws and regulations are observed and programs pursued efficiently. Consequently, there are numerous oversight and monitoring agencies. The executive branch has the Justice Department and the Office of Management and Budget; the Department of Defense and each military service has an independent inspector general and auditing office; and Congress uses the General Accounting Office (GAO) for program audits and assessment, the Congressional Budget Office for budget and program cost estimates, and the Congressional Research Service and Office of Technology Assessment for analyses. Industry has its legal resources, Washington representatives, and industry associations to protect its interests. The government manager of a major systems acquisition program must be sensitive to all participants' positions and their vested interests." [Ref. 8:pp.18-19]

Throughout the evolution of the United States, the Congress has expanded its sphere of influence into many significant areas of national concern. While much has been written about the expanding role of the executive branch versus the expanding role of Congress, there is actually a dynamic, not static, pattern of activity between the legislative and executive branches. First one, and then the other may be perceived as the predominant branch, and various periods are characterized as times of "congressional government" or "presidential government." In short, the

American political system is largely a congressional and presidential Government. [Ref.14:pp.3-5]

The size and constitution of our national defense is an example of this evolution. Executing constitutional powers, Congress approves and appropriates dollars for defense programs. That process allows Congress to set manpower levels for the Services, allocates division quantities to the Army, sets ship levels for the Navy's carrier battle groups and decides what weapon systems are produced or continued.

It is within this framework that military acquisitions occur. The Congress and the military acquisition community have a complicated relationship to describe and understand. In order for military acquisitions to survive within a shrinking fiscal environment, Program Managers must understand the relationship and make it work for their benefit.

II. THE ACQUISITION PROCESS

A. INTRODUCTION

The Department of Defense on 23 February 1991, released the long awaited revisions to DoD Directive 5000.1, "Defense Acquisition"; DoD Instruction 5000.2, "Defense Acquisition Management Policies and Procedures"; and DoD Manual 5000.2-M, "Defense Acquisition Management Documents and Reports." These documents canceled more than 60 previous regulations and instructions. This two year effort by the Department of Defense is designed to be the interface between the Planning, Programming and Budgeting System, the requirements generation, and acquisition management.

This Chapter, which describes the DoD acquisition system, incorporates the changes that the new "5000 Series" requires. The new acquisition milestones and phases of the new regulation are depicted in Figure 1.

B. PROGRAM INITIATION

Acquisition programs in the Department of Defense (DoD) are begun in a myriad of ways. Many programs are initiated as a result of a Mission Area Analysis (MAA). This analysis occurs prior to a formal project initiation and the selection of a Program Manager. The MAA begins with a DoD threat

analysis which identifies a potential security threat to the United States or a defense operational mission need.

Once a deficiency is noted in the country's warfighting capability, a Mission Need Statement (MNS) is drafted. The MNS is one of two documents needed to initiate the start of an acquisition program. The MNS is then submitted to the Joint Requirements Oversight Council (JROC). If the JROC approves the concept outlined in the MNS they forward it to the Defense Acquisition Board (DAB) for a Milestone 0 review.

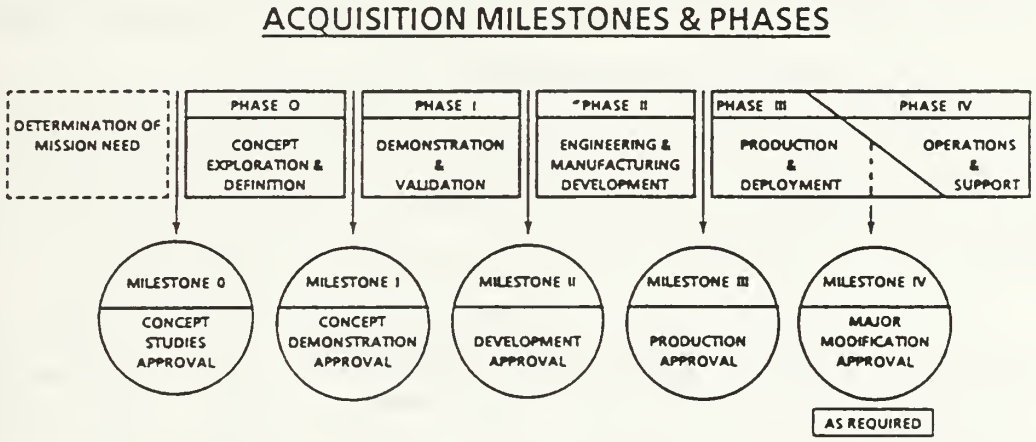


Figure 1

During phase 0 the other project initiation document is drafted. The Operational Requirements Document (ORD) describes the performance and capabilities the system must exhibit. The ORD is an iterative document that is updated prior to each milestone event. It is also used to update the program baseline during each phase of the acquisition process.

A second method of program initiation occurs outside the Department of Defense in the private sector. Industry or research and development laboratories discover new

technologies that offer the Department of Defense a new defense capability that was not before available. Industry representatives search out military sponsors and attempt to sell their concept to them. The contractor will offer assistance to the military sponsor, within legal guidelines, until the idea evolves into a military requirement.

Once a requirement has been established it is formally proposed with the Program Initiation Document. The document may be included as a part of the Program Objectives Memorandum (POM) in the Planning, Programming, Budgeting System (PPBS) or it may be submitted separately. The approval of concepts study approval by the approving authority signifies permission to proceed into the Concept Exploration Definition Phase. The Department of Defense Instruction 5000.2 states that:

> Milestone 0, Concept Studies Approval, marks the initial formal interface between the requirements generation and acquisition management systems. As a result of this review, studies are conducted of alternative material concepts to identify the most promising potential solution(s) to validated user needs. [Ref.21:p.2-1]

(Figure 2 identifies the four acquisition categories with corresponding milestone decision authorities). The four acquisition categories (ACATs) are further defined by DoDI 5000.2: [Ref.21:p.2-2]

> Acquisition Category I. These are major defense acquisition programs. They have unique statutorily imposed acquisition strategy, execution, and reporting requirements. Milestone decision authority for these programs shall be:
>
> a. Acquisition category I D: Under Secretary of Defense for Acquisition or, if delegated by the Under Secretary,

b. Acquisition category I C: Cognizant DoD Component Head or, if delegated, the DoD Component Acquisition Executive.

Acquisition Category II. These are major systems. They have unique statutorily imposed requirements in the test and evaluation area and may have statutorily imposed requirements in other areas such as Defense Enterprise Programs and multiyear procurement. Milestone decision authority for these programs shall be delegated no lower than the DoD Component Acquisition Executive.

Acquisition Category III and IV. The additional distinction of acquisition categories III and IV allow DoD Component Acquisition Executives to delegate milestone decision authority to the lowest level deemed appropriate within their respective organizations. These programs may also have statutorily imposed requirements in areas such as Live Fire Test and Evaluation and multiyear procurement.

Spending thresholds or congressional interest will determine which acquisition program falls within which ACAT level. The Milestone Decision authority is dictated by which ACAT the DoD acquisition program falls within.

ACQUISITION CATEGORIES

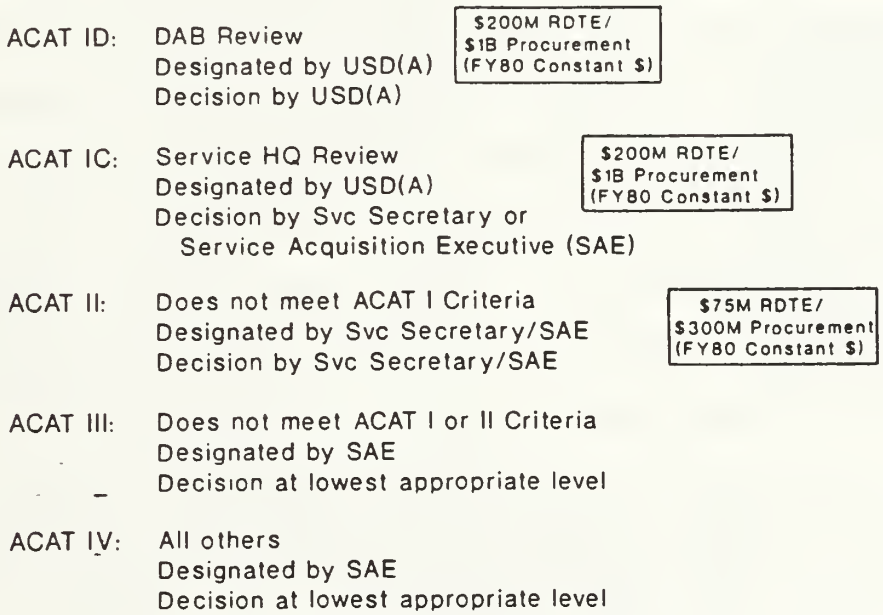


Figure 2

The Concept Exploration Phase is formally begun with a concept studies approval and funding approval. The purpose of this phase is to examine and evaluate alternative conceptual approaches to fulfill the statement of need outlined in the Mission Need Statement (MNS).

During the Concept Exploration Phase members of industry, universities, research and development centers and other non-profit institutions attempt to develop conceptual approaches to meet the stated need. The objective of this phase is to select the most promising concepts for the Demonstration and Validation Phase.

C. PROGRAM DOCUMENTATION

While industry is conducting its research, the program office is concurrently developing a business framework and acquisition strategy that will guide their program. The Program Manager is already trying to develop rudimentary cost, schedule and performance parameters for his program. Other members within the program office are developing a host of plans, papers and documents to fulfill the milestone reporting requirements. One of the goals of the new "5000 series" was to adopt a common sense approach to the milestone review documentation concept. The DoDI 5000.2 states that:

> Milestone reviews require rigorous assessments of a program's status and plans for the future. The information needs of the milestone decision authority and supporting staffs at each level, however, must be satisfied without creating an undue burden on the Program Manager. Accordingly, the milestone review documentation concept

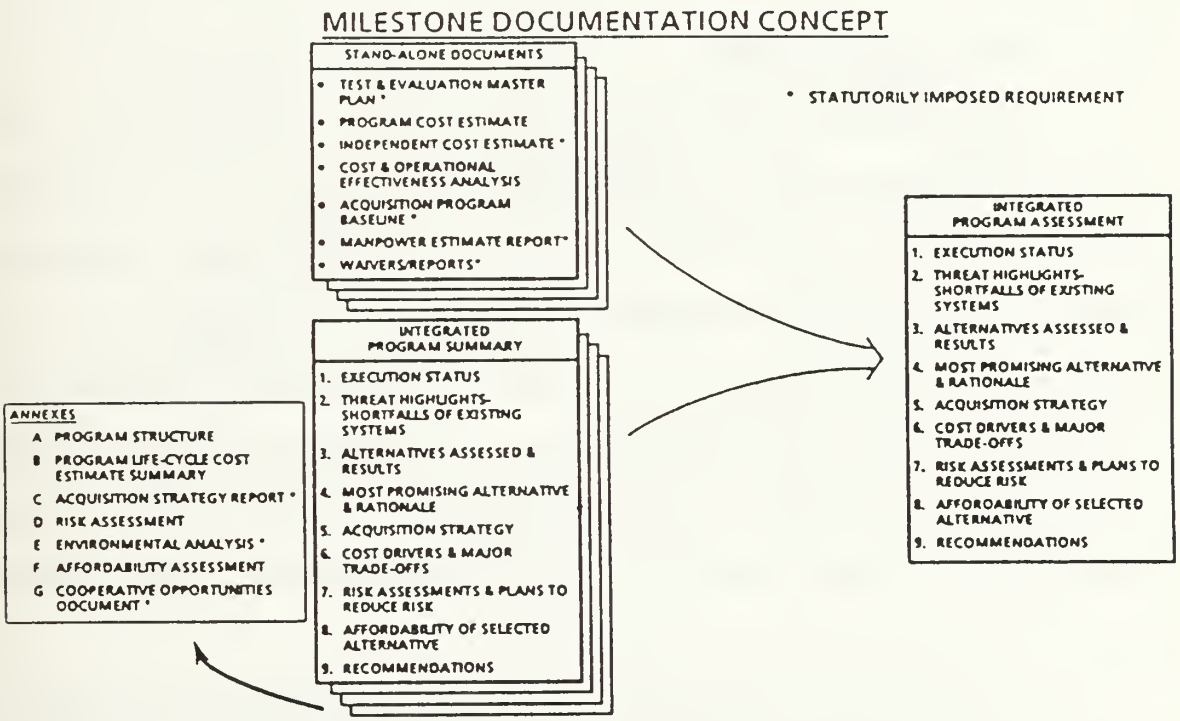
established by this Instruction, highlighted in Figure 3, provides for:

- Stand-alone supporting documentation requirements, and
- Two standardized information displays, the Integrated Program Summary and the Integrated Program Assessment.

The purposes of the stand-alone supporting documentation are to comply with applicable statutorily imposed requirements, such as the Test and Evaluation Master Plan and Independent Cost Estimate, and to meet the information needs of the milestone decision authority, supporting staff, and review forum.

The military program office prepares the Integrated Program Summary to provide a succinct integrated picture of the program's status for use by the milestone decision authority, supporting staff, and review forums.

The Integrated Program Assessment prepared by the DAB staff, summarizes the results of the independent assessments conducted by the supporting staff and review forums. It is a major issue oriented document and provides the basis for the milestone decision review agenda. [Ref.21:pp.2-7,2-8]


MILESTONE DOCUMENTATION CONCEPT
STAND-ALONE DOCUMENTS
• TEST & EVALUATION MASTER PLAN *
• PROGRAM COST ESTIMATE
• INDEPENDENT COST ESTIMATE *
• COST & OPERATIONAL EFFECTIVENESS ANALYSIS
• ACQUISITION PROGRAM BASELINE *
• MANPOWER ESTIMATE REPORT*
• WAIVERS/REPORTS*
* STATUTORILY IMPOSED REQUIREMENT
INTEGRATED PROGRAM SUMMARY
1. EXECUTION STATUS
2. THREAT HIGHLIGHTS-SHORTFALLS OF EXISTING SYSTEMS
3. ALTERNATIVES ASSESSED & RESULTS
4. MOST PROMISING ALTERNATIVE & RATIONALE
5. ACQUISITION STRATEGY
6. COST DRIVERS & MAJOR TRADE-OFFS
7. RISK ASSESSMENTS & PLANS TO REDUCE RISK
8. AFFORDABILITY OF SELECTED ALTERNATIVE
9. RECOMMENDATIONS
INTEGRATED PROGRAM ASSESSMENT
1. EXECUTION STATUS
2. THREAT HIGHLIGHTS-SHORTFALLS OF EXISTING SYSTEMS
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7. RISK ASSESSMENTS & PLANS TO REDUCE RISK
8. AFFORDABILITY OF SELECTED ALTERNATIVE
9. RECOMMENDATIONS
ANNEXES
A PROGRAM STRUCTURE
B PROGRAM LIFE-CYCLE COST ESTIMATE SUMMARY
C ACQUISITION STRATEGY REPORT *
D RISK ASSESSMENT
E ENVIRONMENTAL ANALYSIS *
F AFFORDABILITY ASSESSMENT
G COOPERATIVE OPPORTUNITIES DOCUMENT *

Figure 3

During the Concept Exploration and Definition Phase of the program, the milestone review documentation is updated as the system becomes more mature. Conceptual estimates about cost, schedule and performance become more realistic as the design progresses. The Systems Engineer, in conjunction with the Program Manager, is developing life-cycle cost (LCC) estimates and logistic support plans for a program that initially consists of a couple of conceptual studies.

It is important to understand that all of these plans and initial reports are estimates that will be refined as the program becomes more mature. At best, broad program cost, schedule, and operational effectiveness goals and thresholds are established.

D. MILESTONE I REVIEW

The capstone event in the Concept Exploration and Definition Phase is the Milestone I Review.[1] It is during this review process that the Milestone Decision Authority (MDA) examines the program's potential to proceed into the Demonstration and Validation Phase. The MDA also examines the program initiation documentation to determine if the system need is still valid to the Department of Defense. The Defense Acquisition Board (DAB), under the direction of the Defense

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[1]The Milestone I Review is now considered under the new "5000 series" as the formal program initiation point. Under the old regulations Milestone 0 was considered the point of program initiation.

Acquisition Executive (DAE), reviews the Milestone Review Documentation and, after an Integrated Logistic System Audit and Certification is completed, the DAE makes his decision and provides his guidance through the Acquisition Decision Memorandum (ADM).[2] The ADM is the decision document that authorizes the program to proceed into the Demonstration and Validation Phase. When the ADM is formally approved, the program has moved from being a concept to being formally recognized as an acquisition program.

Figure 4 depicts a timeline of the sequence of documentation review events leading to a Milestone I DAB review. The Demonstration and Validation Phase formally begins with the successful completion of that Milestone I review.

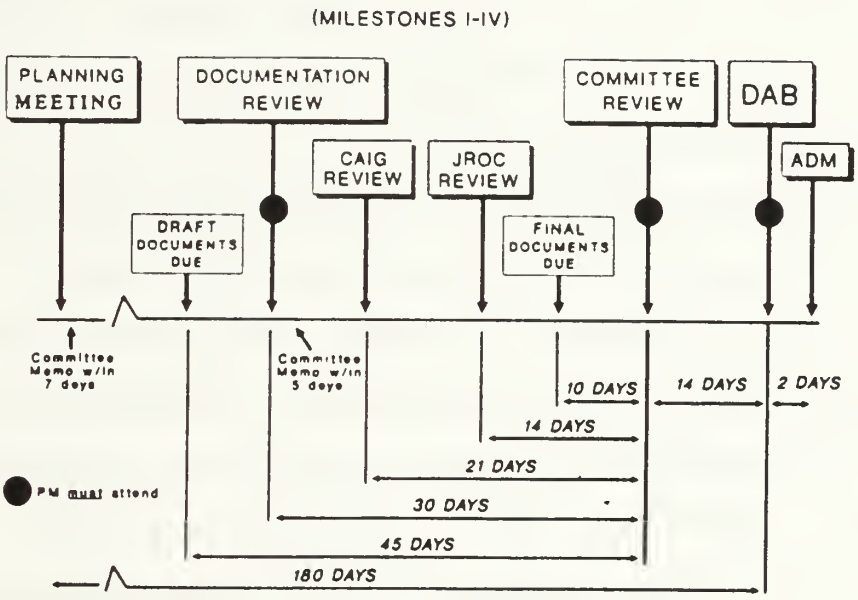

Figure 4

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[2]For a complete listing and description of the Defense Acquisition Board, see the Department of Defense Instruction 5000.2, part 13, page 13-A-1.

E. THE DEMONSTRATION AND VALIDATION PHASE

During this phase, various technical approaches are explored to develop the approved concepts to initial prototype. Engineers attempt to demonstrate that the needed technology is presently at hand, thus reducing levels of risk that an exploratory development would demand. Exploratory developments are very risky because not all the technology required by the system have yet been refined. Reducing technical risk to acceptable levels is a major goal of the D&V Phase.

Systems and design engineers oversee the development of brass-boards and prototypes, conduct tradeoff analyses, and conduct test and evaluation to demonstrate that the technology is available. Most programs are concurrently developing two or more technical approaches to explore and compare competitive prototypes.

Throughout this phase, the program manager and his staff are updating existing plans and preparing other necessary reports for the Milestone II review. They are also conducting design reviews, validating engineering approaches, conducting trade-off analyses of threshold capabilities, developing cost estimates, preparing the allocated concept baseline configuration and other milestone review documents to initiate the Engineering and Manufacturing Development Phase.

The objectives of this phase, according to the DoDI 5000.2, are to: [Ref.21:p.3-14]

- Better define the critical design characteristics and expected capabilities of the system concept(s),
- Demonstrate that the technologies critical to the most promising concept(s) can be incorporated into system design(s) with confidence,
- Prove that the processes critical to the most promising system concept(s) are understood and attainable,
- Develop the analyses/information needed to support a Milestone II decision, and
- Establish a proposed Development Baseline containing refined program cost, schedule, and performance objectives for the most promising design approach.

J. Ronald Fox, an expert in the acquisition field and author of, The Defense Management Challenge, outlines six criteria for obtaining a decision to proceed to engineering development (Milestone II). [Ref.8:p.26]

1. Demonstrate engineering, rather than experimental, effort.
2. Definition of the mission and performance requirements.
3. Selection of the best-perceived technical approaches.
4. A thorough trade-off analysis.
5. Comparison of the cost effectiveness for the proposed weapon system and competing systems within DoD, concluding that the proposal is feasible.
6. Credible and acceptable cost and schedule estimates.

Fox and the DoDI 5000.2 succinctly outlined the critical areas that must be successfully conducted prior to the Milestone II review. The Program Manager, while focusing on the above goals, is also constantly reexamining and further defining the program goals, objectives, and milestone documentation in preparation of the Defense Acquisition Board Milestone II review. Figure 5 depicts the milestone documentation required for each milestone review.

F. MILESTONE II REVIEW

According to the DoDI 5000.2, the Milestone II objective is to: [Ref.21:p.3-18]

- Determine if the results of Phase I, Demonstration and Validation, warrant continuation and
- Establish a Development Baseline containing refined program cost, schedule, and performance objectives for a program approved for continuation.

DOCUMENTS REQUIRED FOR MILESTONE DECISION REVIEW

Document (format in DoD 5000.2-M)	Milestone					Required by Congress
	0	I	II	III	IV	
Mission Need Statement (MNS)	X					
Operational Requirements Document (ORD)		X	X	X	X	
System Threat Assessment Report		X	X	X	X	
Integrated Program Summary (IPS)		X	X	X	X	
Program Life Cycle Cost Estimate		X	X	X	X	
Acquisition Program Baseline (APB)		X	X	X	X	yes
Test & Evaluation Master Plan (TEMP)		X	X	X	X	yes
Manpower Estimate Report (MER)			X	X		yes
LRIP Report for Naval Vessels & Satellites			X			yes
Live Fire Test & Evaluation Waiver			X			yes
Competitive Prototyping Strategy (CPS) Waiver		X				yes
Independent Cost Estimate (ICE)		X	X	X	X	yes
Cost & Operational Effectiveness Analysis (COEA)		X	X	X	X	
Early Operational Assessment Report			X			
Operational Test & Evaluation Report				X		yes
Development Test & Evaluation Report			X	X		
Defense Intelligence Agency (DIA) Report	✓	✓	✓	✓	✓	
Joint Requirements Oversight Council (JROC) Report		✓	✓	✓	✓	
Integrated Program Assessment (IPA)		✓	✓	✓	✓	
Independent Cost Estimate (ICE) Report		✓	✓	✓	✓	yes
Live Fire Test & Evaluation Report				✓		yes
Beyond Low Rate Initial Production (LRIP) Report				✓		yes
Acquisition Decision Memorandum (ADM)	✓	✓	✓	✓	✓	

X Prepared by PM/Military Dept ✓ Prepared by OSD Staff

Figure 5

G. ENGINEERING AND MANUFACTURING DEVELOPMENT PHASE

If phase I ends with a Milestone II approval, then the program can proceed with the Engineering and Manufacturing Development Phase (E&MD). This phase includes costly engineering efforts that are used to develop the best technical approach(es) into preproduction designs. The

program office is also concurrently designing and fabricating training aids, computer software and necessary items to support the final design.

The objective of the E&MD phase is to demonstrate the best engineering design with respect to system performance, cost and schedule constraints. After an acceptable prototype is designed, the product baseline configuration design and Milestone Review Documentation are developed in preparation of the Milestone III review. The DoDI 5000.2 states that the objectives of the Engineering and Manufacturing Development Phase are to: [Ref.21:p.3-21]

- Translate the most promising design approach developed in Phase I, Demonstration and Validation, into a stable, producible and cost effective system design,
- Validate the manufacturing or production process, and
- Demonstrate through testing that the system capabilities meet contract specification requirements. The system capabilities satisfy the mission need and meet minimum acceptable operational performance requirements.

1. Three Sub-Phases of the Engineering and Manufacturing Development Phase

The Engineering and Manufacturing Development Phase can be typically broken down into three subphases: engineering, prototyping, and low rate initial production. The three subphases are not a formal breakout of the E&MD Phase, but the result of proven engineering practices. The subphases assist the Program Manager and System Engineer with the difficult transition from developmental engineering to production. The Program Manager is also concurrently

overseeing other iterative program management activities in preparation of the Milestone III review. Those other activities of the Program Manager include: updating milestone review documentation, validating system threat assessment, refining the acquisition strategy, and completing a system configuration baseline.

2. Low Rate Initial Production (LRIP)

Even though the Program Manager has a tested stable design, he must exhibit that it can be produced. Milestone IIa (Low Rate Initial Production) is a production technique that is used to prove that the system is producible. During the Engineering and Manufacturing Development phase the weapon system, using R&D funds, is constructed using production processes and tooling. Testing of the finished product ensures that the production process is in control and ready for full scale production and deployment to the field. At this point the program is ready for a formal Milestone III review.

H. MILESTONE III REVIEW

At this point, the Milestone Decision Authority (MDA) has many decision options that he can impose. First, the MDA may approve full production. This occurs when the system passes all cost, schedule and performance tests. The system must also demonstrate operational effectiveness as well as proving the system can be operationally supported. Second, the MDA

might decide to approve limited production.[3] Approval for limited production signifies that the system is close to approval for full production, but may have deficient test results or supportability reviews to complete. Third, the Milestone Decision Authority may decide to not approve the system for production. Failure of a major test (Technical Evaluation or Operational Evaluation) will kill any chance of getting the system to production. The MDA may send the program back for reengineering or cancel the program at this point.

I. PRODUCTION AND DEPLOYMENT PHASE

Successful completion of the Milestone III Review moves the program into Phase III - Production and Deployment. At this point the system should have a stable design with proven production technology. The system should still meet the need that initially began the program.

Existing plans within the program guide the production of the hardware, software, field distribution, support operations and necessary soldier training. Careful program office planning, conducted since the Concept Exploration and Definition Phase, should allow a smooth transition into the Production and Deployment Phase.

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[3]The decision for limited production is limited to ACAT II programs and below. It does not apply to ACAT I decisions.

As observed in the other acquisition phases, the Program Manager must carefully review the guidance from the Milestone Decision Authority (provided in the Acquisition Decision Memorandum) to ensure that any direction to the program has been incorporated in the production plan. The Program Manager must also carefully review all cost, schedule and performance data to ensure he can successfully meet the Initial Operating Capability (IOC) date. The PM must aggressively manage this phase to avoid long delays between Milestone III and the IOC.

During the production process, the Program Manager must work closely with the prime contractor to assist with problems occurring with the production process. Even though the contractor has the primary responsibility for production within his factory, the PM must be aware of any problems that occur with the production process. Many PMs work side-by-side with contractors to overcome problem areas. If the contractor has a problem, the Program Manager has a problem. Many Program Managers visit the prime contractor and the prime contractor's subcontractors to ensure their operations are meeting cost, schedule and performance objectives.

One of the keys to successful program management is honest, open communications with the contractor. To facilitate contract administration and improve the military program office - contractor communication process, Defense Plant Representative Offices (DPROs) are placed in contractor's plants. The DPRO Administrative Contracting

Officer is used as a direct liaison between the contractor and the Program's Procuring Contracting Officer.

Even after the production line is underway, the Program Manager must undertake the large task of system deployment and fleet support. While planning for this effort has been underway for years, the execution of the plan is a monumental task. Careful planning in regard to soldier training (both operator and support) must now be implemented. Deployment plans and priorities must be finalized and executed. Fielding teams must be mobilized to take the system to the field.

The Army uses New Equipment Training Teams (NETT) to deploy systems to the field. The Army NETT fielding team consists of a contractor and program office fielding team. They bring with them the capability to field the system, repair the system, train the soldiers in operations and repair, and deliver a package of repair parts to support the initial fielding. The NETT team stays on location until the fielding is complete and soldiers are trained.

The Production and Deployment Phase makes the difficult transition into the Operations and Support Phase on the Initial Operating Capability (IOC) date. This Phase includes all operational support that will be required throughout the service life of the system.

The system's life cycle finally concludes with the systems retirement or major block upgrade/modification.

III. CONGRESS - GOOD POLICY, PAROCHIALISM AND REELECTION

A. INTRODUCTION

The architects of the Constitution of the United States spread the governing power and authority over three separate and distinct branches:

1. The executive branch, which consists of the President, Vice-President and supporting agencies.
2. The judicial branch, consisting of the Supreme Court and the Federal judicial system.
3. The legislative branch, a bicameral organization consisting of a 100 member Senate, 435 member House of Representatives, personal and professional staffs and supporting agencies.

B. THE RELATIONSHIP BETWEEN CONGRESS AND THE EXECUTIVE BRANCH

Throughout the history of the United States, the three branches' spheres of influence have been in a constant state of flux. The relationship between the executive and legislative branch is especially interesting. First one, and then the other, has been perceived as the predominant branch of Government. Some periods have been characterized as times of "congressional government," others as "presidential government."

It is quite accurate to assess the governmental process as both congressional and presidential. Between them exists a common understanding that an adversarial relationship diminishes their ability to govern. Yet, conflicting opinions between the two often serve the best interests of the constituents. This separation of power was designed by the drafters of the constitution to ensure that power be equally divided between the executive, judicial, and legislative branches of the government. They fully envisioned the healthy conflicts that would ensue between the branches. The conflicts are healthy because they force the branches to compromise and cooperate with each other. The separation of powers also ensures no one branch will become the overall dominant governing body.

One area that Congress and the executive branch have significant disagreements over is the formation of the Federal budget. Of particular interest to the Department of Defense and the defense acquisition community is the defense portion of that budget.

C. THE DEFENSE BUDGET

Once Congress receives the President's budget, it drafts legislation to transform the request into law. The Department of Defense has its budget funded through two pieces of legislation. The first piece of legislation is the authorization bill, which authorizes programs and determines

the maximum amount of money that can be spent on those programs. The other piece of legislation is the appropriations bill which provides the actual budget authority allocated to each authorized program. The congressional budget process or enactment process includes the authorization and appropriation bills, preceded by a concurrent budget resolution in both Houses which sets budget limits for defense and all other programs. Upon successful enactment of this legislation, the Office of Management and Budget (OMB) conducts the actual apportionment of money to DoD. OMB is also responsible for the budget execution, obligation or spending of the money.

D. HIDDEN AGENDAS

The congressional budget process is very complicated and cumbersome. Further complicating the process are the hidden agendas of the individual military Services. The military Services who are developing the plans and strategies have their own private agendas. The Navy and Marine Corps, Army, and Air Force are independent Services looking out for their own best interests. As Jacques Gansler, the author of Affording Defense put it, "the decisions about which weapons to buy, and how many of them, are made by the independent services - almost as if they were going to fight separate wars." Gansler also noted, "Far too often, the selection and

budgeting of weapon systems determines the military strategy, rather than vice versa." [Ref.9:p.6]

E. CONGRESSIONAL MOTIVATION

Members of Congress are motivated by three primary desires: the desire to enact good public policy, the desire to take care of their constituents (parochial interests), and the desire to be reelected. When all three "desires" can be attained at the same time on a piece of legislation, the political system works very smoothly. But this occurs infrequently. Quite often, congressional desires are in direct conflict with one another. At this point the elected official must decide among good policy, parochial interests and reelection wishes. All too often the parochial interests of the constituents back home come first in an effort to positively sway the politician's reelection campaign.

One area where this is very true is in the enactment of defense related legislation. Historically, the defense budget was an ideal vehicle to bring tax dollars home to the constituents. Today's fiscally restrictive environment, combined with a public outcry for a "peace dividend," have made the defense budget a prime target for cuts. This presents a dichotomy for members of Congress. On one hand, they desire a smaller defense budget. On the other, their parochial desires want to bring home greater defense dollars

to their districts. The two desires are in conflict with one another and cannot both be accomplished.

Congressional competition for the shrinking defense dollar is fierce. Yet Congress cannot ignore the public outcry for the "peace dividend." Hence, once thriving acquisition programs are now fighting for their very existence. Program Managers are expected to "do more with less." One technique being employed by Congress to reduce short term costs is simply to reduce the order quantity of a system (e.g., instead of ordering 500 tanks this year, only order 400). On the surface this seems like a reasonable short term measure to reduce costs. But such direct cuts or "program stretch outs" significantly raise the costs of each copy of a weapon system. Increased costs are a direct result of increased labor costs of salaried employees allocated to fewer end items, plant operations at less than optimum production levels, and inability to take advantage of economic order quantity purchases of materials and systems.

While the tactic of stretching programs out decreases costs in the short run, it actually increases acquisition program costs significantly. Higher program costs attract congressional attention. A vicious circle has been created in the attempt to obtain short term savings.

F. THE INDUSTRIAL BASE

The same program reductions are beginning to have a significant impact on the industrial base. Program stretch outs are making it unprofitable for defense contractors to stay in the industry. Many contractors are facing the point where it will be financially infeasible to keep open a defense plant rather than operate below the breakeven point. Other contractors react to the bleak prospects of obtaining lucrative defense contracts by leaving the defense industry. This poses an additional problem for Congress. According to the 23 January, 1992 Boston Globe report:

> But now the Bush administration is shifting to a technology "rollover" model, which means chugging along with continual technological innovation but drawing a line between research and engineering and actual production. Where it is necessary to preserve a military industrial capacity, production lines would be kept lukewarm by refitting existing weapons. New weapons would be developed but possibly never built.
>
> This is the only way to get the Pentagon budget under control, but it will be controversial in the defense industry and Congress. The defense industry profit and jobs come not from research and development but from production. If programs are frozen after research and development, there will be no significant profits. Industry will leave arms production in droves.

Congress must address the issue of sustaining a defense industrial base necessary for future mobilization requirements.

G. ACQUISITION FRAUD AND CONGRESS

The environment that Congress is working in is at best chaotic: fiscal constraints; public outcry for a "peace dividend"; a shrinking industrial base; military Services with their own agendas; an adversarial relationship with the executive branch; and the battle of good policy vs. parochial interests vs. reelection desires. This climate presents a formidable personal challenge to each member of Congress as they confront defense funding issues each year.

To exist in this environment, some members of Congress have developed a couple of tactics to gain favor in the public eye. This tactic, uncovering and attacking "acquisition fraud," is a politically attractive and popular activity. It gives the perception to the public that the congressman truly is concerned about the taxpayer and their tax dollars. Extensive press coverage of such discoveries gives the congressman desired exposure to the voting public.

Representative Bill Nichols (D.- Ala) used this tactic quite successfully as depicted by these quotes from Aviation Week and Space Technology and U.S. News and World Report.

> The most recent disclosure of alleged abuse came last week from the House Armed Services Committee investigation subcommittee which charged that Hughes Helicopter had been unable to supply data to support 40% of its challenged billings to the Defense Department.
>
> Rep. Bill Nichols (D.- Ala), chairman of the subcommittee, said: The records we found at Hughes were in a deplorable state. Hughes' accounting system is neither accountable nor systematic. [Ref.1]

No aspect of the waste nightmare gets more attention than spare parts. Examples such as the Navy's purchases of $17 claw hammers for $435 and 13-cent nuts for $2,043 have become too frequent to be dismissed as exceptions to the way the Pentagon conducts business.

"These stories create the impression - and rightly so - that nobody is minding the store," says Representative Bill Nichols (D.- Ala.), chairman of a House Armed Services subcommittee that has investigated spare-parts abuses. [Ref.2]

Representative Nichols provides a good example of the type of scrutiny Government contractors and military program offices are constantly under. On the surface, it appears these charges are criticisms of the Hughes Helicopter Corporation. But it is also critical of the cost controls that are supposed to be implemented by the military program office. This type of scrutiny, used by Congress, is referred to as oversight.

H. OVERSIGHT

Congress has not only the right but also the Constitutional obligation to conduct the oversight function. Article I, Section 8, of the Constitution gives the Congress the authority to review Government operations and administration.

Many equate the importance of oversight with that of the authorizing and appropriating functions of Congress. But the amount of oversight has been increasing over the years. The White Paper on the Department of Defense and the Congress states: [Ref.18:p.1]

> Every recent study of defense management and organization has concluded that reform of the congressional defense oversight process is a necessary element in an effort to improve defense management. Most specific recommendations have focused on reform of the budget process, including the annual defense authorization. The scope and level of detail in the annual congressional defense budget review has grown significantly over the past twenty years or more, with many measures of activity doubling or trebling in short periods...
>
> ...The duplication, complexity and lack of coordination in the Congressional defense process is, in itself, a hindrance to better management to the Defense Department. Among the negative results of this process are conflicting mandates, delays and increased costs in programs (totalling over half a billion dollars at a minimum), and instability in planning. The most damaging aspect of the current congressional defense process is the degree to which it consumes the time and attention of defense managers and members of Congress. Excessive debate over budget details significantly limits the degree to which Congress and top defense managers can concentrate on national goals and strategy or operational and policy matters.

There are many reasons for the phenomena of increased oversight:

1. It has proven to be a politically popular activity to engage in.
2. To eliminate fraud, waste and abuse in defense contracting.
3. Larger Congressional staffs now allow for increased investigations into defense spending.
4. Vietnam and Watergate significantly weakened the executive branch of Government; Congress used oversight a one tool to fill that void.
5. To fulfill the parochial objectives of the members.

6. The belief that military acquisition programs and defense contractors cannot deliver within cost, schedule or performance parameters.

7. The pursuit of good public policy.

For whatever combination of the above reasons, Congress is expected by the taxpayers to closely watch the Department of Defense acquisition activity.

I. THE CONGRESSIONAL COMMITTEE SYSTEM

Before any further discussion of the congressional oversight function can occur, it is critical to examine Congress as an organization. First, Congress is a political organization. It has no formal hierarchial structure that a bureaucracy contains. It conducts the preponderance of its work through the committee system. One major job delegated to the committees is the oversight function. James Lindsay, author of the article, "Congressional Oversight of the Department of Defense: Reconsidering the Conventional Wisdom," states:

> Much of Congress's oversight activities are accomplished through the committee system. The Legislative Reorganization Act of 1946 stipulated that congressional committees should "exercise continuous watchfulness" over those actions of the executive branch that fall within their jurisdiction. Primary responsibility for overseeing DoD lies with the defense committees - the armed services committees and defense appropriations subcommittees - which regularly hold hearings on defense issues. [Ref.19:p.9]

Even though Congress has been described as other than a bureaucratic organization, certain committee assignments carry more influence than others. The defense committees are considered to be one of the more desirable committees to sit on. The defense committees provide the members with much desired publicity. They also provide the legislators with the opportunity to make important policy decisions. The defense committees also provide members with parochial interests in the defense community enhanced opportunities to bring home a portion of the defense budget.

Members of the defense committees are delegated the responsibility of overseeing the Department of Defense operating and spending activities. Lindsay explains why this is no easy task for the committees:

> ...congressional oversight of DoD faces three additional obstacles. First, far more than other federal agencies, the armed services resist congressional oversight. Second, unlike other policy domains, most DoD programs are designed to respond to events that occur rarely - namely, wars; hence, it is often difficult to assess the effectiveness of defense policy. Third, defense oversight often involves diplomatically sensitive issues that are ill-suited for public debate. These three obstacles make it difficult for Congress to oversee DoD and thereby discourage further oversight of the Pentagon. [Ref.19:p.8]

How does Congress attempt to accomplish this formidable task? One technique used by the committees is the formal hearing process. Senior Department of Defense officials are brought forward to answer questions and justify programs.

Other less formal techniques are used by the committees to conduct the oversight process. Many committee members have

informal ties into the Department of Defense that provide the members with timely information. They also look into reports of cost overruns, schedule delays, and performance problems.

One of the popular misconceptions about congressional oversight is that it is a systematic review process. Nothing could be further from the truth. Lindsay states:

> ...how much oversight can Congress reasonably be expected to accomplish. Even under the best of circumstances Congress lacks the capacity to act as a "coordinate budget maker" - to examine thousands of budget line items and then to reach its own conclusions. Bemoaning Congress's inability to conduct comprehensive oversight accomplishes little. As Aaron Wildavsky has written, "All that is accomplished by injunctions to follow a comprehensive approach is the inculcation of guilt among good men who find they can never come close to fulfilling this unreasonable expectation."
>
> Congress's inability to conduct comprehensive oversight results partly from constraints on legislators' time. Members of Congress simply are too busy to devote a majority of their time to reviewing the defense budget. This holds true even for conscientious members of the defense committees; for example, members of the Senate defense committees average three committee and nine subcommittee assignments apiece. In addition, legislators find their time taken up with (among other things) meeting with constituents, floor votes, fund raisers, and campaigning. [Ref.19:p.11]

Problems arise with the manner in which Congress conducts the oversight function. One of these problems occurs when Congress engages in line-item budget reviews. This presents the impression that Congress does not trust the DoD in the allocation of defense budget dollars. Many argue that Congress should avoid line item reviews, focusing its intention instead on broader defense policy issues.

These line-item budget reviews occasionally create tension between Congress and the Department of Defense. DoD officials perceive that members of Congress are second guessing their expert opinion on military acquisition issues. Congress calls senior members of the defense community forward to testify in defense of their recommendations. Many times these hearings have nothing to do at all with national defense issues. They instead act as a forum for legislators to pursue parochial interests for their districts.[1]

J. MICROMANAGEMENT

Problems occur between the Congress and the DoD when legislators step over the fine line between oversight and micromanagement. As an example of micromanagement, Senator Sam Nunn (D-Georgia, Chairman of the Senate Armed Services Committee) pointed out that in the 1985 defense-program review, "Congress changed the number of muzzle bore sights that the Army requested, told the Navy to reduce its request for parachute flares, and instructed the Air Force to make do with fewer garbage trucks."[2]

Representative James Courter (R-NJ) stated, "Congress is not the answer to waste, Congress is the problem. They mean

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[1]See the Navy F/A-18 Hornet example in Chapter VII.

[2]Draft report of CSIS Study on Defense Acquisition in the United States, April 9, 1986.

well but reformers are too often the cause of whats wrong with the military." [Ref.3]

Whatever the problems (or perceived problems) of the congressional oversight process, Program Managers must run their programs within established congressional parameters. The PM's ability to properly assess the congressional environment may be his key to developing a successful strategy that navigates through that environment.

K. PROGRAM MANAGERS AND CONGRESSIONAL OVERSIGHT

Program Managers know all too well the results of congressional oversight. Instead of managing their programs PMs are spending long hours formulating responses to congressional staffers' questions. Many months are spent in Washington, D.C. in order to obtain support and funding for his program. Some PMs find themselves in Washington fighting for the very existence of their programs. Whether the Program Manager agrees or disagrees with the reasons for congressional oversight really doesn't matter. It is the PM's obligation to follow the orders of his chain of command. There are many times the PM will not be in a position to alter congressional opinion or policy.

The bottom line is that the PM will be a better leader by understanding all aspects of his program's environment. Congressional oversight exists and may alter the way a Program Manager leads his program.

IV. CONGRESS AND THE ACQUISITION PROCESS - WHERE THE TWAIN MEET

A. CONGRESSIONAL MOTIVATION

When discussing the relationship between Congress and the acquisition process, five key relationships need to be discussed. First, it is important to reiterate what motivates the congressional representatives:

- The desire to create good public policy.
- The desire to pursue constituent parochial interests.
- The desire to be reelected to public office.

When Congress interacts with the acquisition process it is in response to one or more of the three "congressional desires." When a piece of legislation fulfills all three desires, the law makers have few hesitations in casting their votes on legislation. Problems occur when the three "desires" conflict with one another.

When conflicts occur, each member of Congress must prioritize their desires. According to Senate Armed Services Committee Staff Member, Jonathan L. Etherton, the priorities are set based on the political stability of the elected official. If there is a strong probability that the congressman will be reelected, he will most likely focus his efforts on parochial and policy issues. Mr. Etherton further

elaborated that if a tight reelection race was expected, the main focus would be on the reelection campaign.[1]

Other factors that affect the prioritization process include: the perceived strength of the public opinion about the legislation; time before the next election; political party desires; direct impact on the congressional district; and strength of the legislation as good public policy.

B. CONGRESSIONAL OVERSIGHT

Second, the Congress is mandated by the constitution to review Government operations and administration. This review process, termed "oversight," is a major source of interaction between Congress and acquisition programs.

A White Paper Report to the President of the United States examined congressional oversight responsibility. The purpose of the White Paper was to "look at the interaction between DoD and Congress; and to focus on ways the two might interact more effectively to improve the formulation and conduct of national defense policy." [Ref.18:p.4] The authors of the White Paper were critical with the manner in which they conduct the oversight process. They were particularly critical with the volume and scope of program interventions.

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[1]The researcher conducted a personal interview with Mr. Etherton on 15 January, 1992 at the Naval Postgraduate School in Monterey, California.

1. Program Intervention

One type of oversight that specifically affects the Acquisition Program Manager is program "intervention." According to the White Paper:

> Below the level of general policy, Congress frequently imposes specific requirements on individual programs or activities. This White Paper refers to this practice as program intervention. Program intervention often occurs in report language or in non-codified statutes such as general provisions, provisos and limitations. Intervention can also be exercised through budget adjustments, particularly those attributed to management or technical concerns, or additions which do not address valid military requirements. Committees, members and staff also issue instructions on specific programs through letters or verbally. Although the Department is not required to comply with these forms of guidance as a legal matter, the consequences of ignoring such advice frequently compel compliance -- this year's ignored "suggestion" may become next year's statutory requirement.
>
> The most common justification for Congressional intervention is poor program management. In fact, monitoring mechanisms which allow committees to review decisions or to second guess department actions are common, regardless of program performance, and their proliferation makes future intervention far more likely. Often, when specific directions are applied they generally have less to do with management issues than with funding allocation.
>
> The experience and diversity of views represented in Congress can, when properly applied, aid in the development and management of specific programs as well as with broader policies. And obviously, when a program is troubled, external examination and advice can be helpful. The volume and scope of intervention, however, indicate a need to distinguish the circumstances and methods in which intervention can be helpful from those in which it is counter-productive. [Ref.18:p.12]

Intervention can occur in a variety of methods. Program Managers are most familiar with written reports prepared at Congress' request. These reports are intended to force a review of an activity within DoD or to provide

Congress with information to monitor or direct department activities.

Other forms of intervention include: funding earmarks; structural requirements; minimum employment levels; technology limitations and legislative enforcement techniques. All of the forms of intervention can affect the way a Program Manager runs his program.

2. The Relationship Between Congress and the DoD

One of the major problems in the acquisition process deals with the level of trust between Congress and the DoD. The White Paper states, "A final, critical factor affecting Congressional defense oversight is a profound lack of trust. Doubts about the competence of DoD managers result in micromanagement." [Ref.18:p.20] The distrust increases the amount of Congressional oversight that a Program Manager must cope with.

When discussing the relationship between Department of Defense acquisition programs and Congress, it is critical that the Program Manager understands who his friends and foes are. This identification process is important to the Program Manager as he assesses risks associated with his program. The congressional support or opposition will affect the manner in which the PM conducts the risk management of the program.

Program Managers realize that acquisition programs can usually find political support from legislators

with contractor interests within their states or legislative districts. As a general rule it would be considered politically unwise for members of Congress to oppose defense contracts within their own congressional districts or states.

Conversely, many legislators will not support programs for many various reasons. It is possible that a program may be perceived as not being in America's best interests or poor public policy. Or, it is quite possible that a congressman may believe that the cancellation of a program may give life to one of his programs, supporting parochial and/or reelection desires. It is also quite possible that the Program Manager may never figure out why a legislator supports or doesn't support his program. This occurs as deals and alliances are forged between legislators to support each other's parochial interests. Hence, a Program Manager will find supporters and opponents of his program in many different camps for many different reasons.

The congressional oversight process will affect the manner in which a Program Manager runs his program. He must understand the motivation behind congressional inquiries in order to respond appropriately. A poor assessment may cost the program money, or worse yet program cancellation.

C. AUTHORIZATIONS AND APPROPRIATIONS

Third, a direct link between Congress and the acquisition process exists within the authorization and appropriating

legislative process. It is Congress that determines whether or not a program will be authorized to exist. If it is authorized, Congress determines the amount of money to be appropriated to the acquisition program. Without exception, the researcher learned that all Program Managers are acutely aware and concerned about this lengthy and stressful process.

The White Paper states that:

> Virtually no other country puts its defense budget through such a detailed legislative scrutiny every year, and none has that budget reviewed by as many as six independently powerful committees: the Budget, Armed Services and Appropriations Committees of both the House and Senate. [Ref.18:p.5]

Such a detailed review process could not have physically been conducted in the 1960's or 70's due to a lack of staffing resources. In order to conduct such an extensive budget review, Congress required and obtained a larger staff structure.

> In 1964, the four defense subcommittees on Appropriations and the Armed Services Committees had a total of 37 staff members. By 1984, the same committees and subcommittees had 60 staff. Five years later the number was up to 99. And that does not include the 66 associate staff who work on defense for individual members of the same committees, or Congressional support agencies. From 1960 to 1985 total Congressional committee staffs grew by 237% and personal staffs by 175%. [Ref.12:p.20]

Clearly, the increased staff structure gives Congress the ability to conduct budget reviews in much greater detail. The burden to provide the additional information to the Congressional Staffers has fallen on the shoulders of the

Department of Defense which receives the preponderance of requests for information.

> The growth in reporting requirements tracked in an annual compilation of "Reports Required by Congress" by the Clerk of the House is striking. The Defense Department recently passed the President as the largest producer of reports to Congress, and many of the Presidential reports are actually prepared by DoD. Between 1980 and 1988 DoD requirements grew by 224%, far faster than any other part of the government, and nearly three times the average growth of other agencies. [Ref.18:p.10]

Hence, the Program Manager must be concerned about the budget process. He carefully watches the authorization process to see if his program is going to be allowed to continue. He further scrutinizes the appropriation process to see how much budget authority ("money") he has been granted. He also has his time constrained in the preparation of reports and testimony for Congress.

D. CONGRESSIONAL INFLUENCE AND THE ACQUISITION PROCESS

Fourth, there is an overriding public impression that Congress is involved with and influences the award process of defense contracts. Press reports about a WEDTECH type of scandal imply that the military contract award process is filled with graft and corruption.

This opinion couldn't be further from the truth. But it is in fact the legislators themselves that promote this illusion. Congressmen and senators want constituents to believe that they were responsible for bringing home a lucrative defense contract. This activity feeds the parochial

interests of the politician. He hopes the contract award will help fuel campaign funds and reelection votes. In essence, the congressman reaps benefits of a contract award that the legislator could not have possibly influenced.

Kenneth R. Mayer, author of Arms, Politics and the Economy, further explains this phenomenon.

> Although congressmen and senators do not, as a rule, have a great deal of influence over DoD source selection, they often behave as though they do. If members can convince constituents that they really can determine the outcome of contract competitions, they can then claim credit for local awards. Some are blunt in their claims to influence. Said one: "Every time I go to the Pentagon to obtain a contract for one of my constituents, I run into hundreds of retired officers." This credit claiming is important, as it provides members with many benefits: reelection funds, votes, campaign workers and the like. [Ref.17:p.211]

Credit claiming was, until 1970, institutionalized in contract award announcement procedures. Some legislators, usually those most sympathetic to the Defense Department, were given the option of publicly announcing contract awards to firms in their district or state, prior to release of the news to the general public. This certainly fostered the impression that the member's efforts had a hand in the award, particularly since the information was selectively provided.

E. CONGRESS AND SUBCONTRACTING

Fifth, while no empirical data exists linking Congress with the contract award given to the prime contractor, it is quite evident that the inverse is true with the award of subcontracts. [Ref.26:p.206] It is the subcontracting process

that many believe is the most politically influenced. Kenneth R. Mayer states:

> In many respects, the distribution of subcontracts is the most political phase of the actual contract award process. Scholars and procurement analysts have long suspected that prime contractors distribute subcontracts (which include orders for raw materials, equipment, and parts not manufactured by the prime) so as to maximize the geographic spread of acquisition programs. [Ref.17:p.219]

Jacques Gansler author of, The Defense Industry, concurred with Mayer's quote by stating:

> The efforts of legislators to keep their home-state or home-district [sub-contract] suppliers in the defense business make it difficult for a new supplier to replace one that has such high level support. Congressmen will often argue that it is in the interest of national security to keep a particular supplier in business, even when he may not have been the low bidder. Such arguments, passed down to a prime contractor through the DoD from Congress, have considerable weight. [Ref.10:p.150]

This strategy of the prime contractor makes a great deal of intuitive sense. By geographically distributing his subcontracts across many states (and political districts), he enhances his program's potential for survival. This occurs because now many different members of Congress with subcontracts in their district have a vested interest in the prime contractor's program.

It is an inexpensive and relatively easy acquisition strategy for the prime contractor to implement. This low-cost, low risk strategy helps the political stability of his program. In today's constrictive fiscal environment, Program Managers cannot afford to be on unstable political ground.

Another reason why Congress is interested in subcontractors instead of prime contractors is that they are governed by different regulations. Prime contracting is governed by the Federal Acquisition Regulation (FAR), while subcontracting is not. [Ref.26:p.219] Therefore, members of Congress seek out prime contractors in an effort to lure them to hire subcontractors in their districts. Congress is strictly forbidden to partake in this activity with prime contractors under the provisions of the FAR. [Ref.26:p.208]

To illuminate the importance of this fact consider a contract that is awarded to a prime contractor. If other prime contractors feel that the award process was unfair or incorrect, they have rights under the FAR to protest its award.

Subcontractors do not enjoy the same right to protest. A prime contractor can hire any sub he desires.[2] Hence, if a member of Congress is successful in luring a lucrative subcontract to his district, the non-selected competitive subcontractors have no method of recourse. The importance of having a strong political backing for a program is fully understood by the prime contractor. Mayer conducted a study of three major ACAT programs: the B-1 bomber, the Apache

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[2]Prime Contractors may have clauses in their contract stipulating certain requirements that the subcontractors must fulfill. This is one technique used to fulfill quotas to small businesses, labor surplus areas, businesses owned by women, minorities, and other considerations.

helicopter, and the DIVAD air defense gun. He discovered that:

> The three different defense systems examined here, of different size, scope, and type, all show a high level of geographic distribution of sub-contracts to forty-eight, forty-five, and thirty-eight states....
>
> ....For each defense program, there are indications that the work was spread over a wider area than required by the scope of the program, and there is evidence that subcontracts were purposely spread over the entire U.S. Martin Marietta's activity on the Apache is an especially clear case. [Ref.26:p.230]

The military Program Manager will encourage any legal activity that will enhance the probability of keeping his program alive. It is safe to state that the PM will encourage his prime contractor to be politically sensitive in selecting his subcontractors. [[Ref.26:p.219]

> As a political strategy, subcontract targeting is in most cases superior to prime targeting. There are only so many choice primes to go around. But one large prime contract must be divided into thousands of subcontracts, each of which can be used as an incentive or reward for program support. There is little doubt that the Defense Department encourages this type of activity by its primes. [Ref.17:p.219]

A further look at the B-1 bomber further illustrates this point. An Air Force officer associated with the B-1 program stated that "one major goal of the program was to distribute subcontracts throughout the country in a manner designed to produce the most votes in Congress." [Ref.17:p.220] The B-1 bomber's prime contractor has spread their subcontracts over three hundred congressional districts and forty-eight states.

The fact that politics affect the acquisition process cannot be disputed. Clearly, some political strategies are more effective than others.

> Congressmen cannot, as a rule, influence DoD source selection decisions. Yet they can use the authorization process to force the Pentagon to purchase specific systems, and otherwise tinker with procurement policy to protect constituent interests.
>
> Since prime contracts cannot be readily targeted [by Congress], congressional efforts focus on subcontract targeting. The latter is the preferred way to maximize geographic and economic impact. [Ref.17:p.230]

F. THE PROGRAM MANAGER'S ROLE

The Program Manager will have to be acutely aware of all five external interfaces between Congress and the acquisition process. Regardless of which phase the program is in, the PM must be attuned to the potential influence that Congress may have on his program. The PM will need to pay an equal amount of attention to the internal activities within his program as well as focusing on the external influence that Congress will exude on his program. Exactly how the Program Manager should execute a strategy to deal with this interaction will be examined in Chapter VI - Program Managers - Puppet or Puppeteer.

V. HISTORICAL EXAMPLES OF CONGRESSIONAL OVERSIGHT

A. INTRODUCTION

This chapter will examine the nature of congressional oversight and program intervention. The researcher believes a historical analysis of the relationship between Congress and the Department of Defense will assist the Program Manager in understanding the environment his program will be developed within.

The researcher will also examine the oversight issue from a congressional perspective. An understanding of the acquisition problem from a congressional viewpoint may help the members of the armed forces understand why Congress does what it does. Understanding congressional motivation should allow the Program Manager to be proactive towards congressional oversight rather than reactive.

B. COST, SCHEDULE AND PERFORMANCE

Congress is specifically concerned with three factors when examining the progress of an acquisition program: cost of the system; the schedule of the program's development; and performance characteristics the system is supposed to exhibit. When a program exceeds costs, slips on its schedule, or does not meet performance expectations, the program's shortfalls may come to the attention of Congress.

The Department of Defense Manual 5000.2-M requires the use of Selected Acquisition Reports to:

> ...provide standard, comprehensive summary reporting of cost, schedule, and performance information for major defense acquisition programs within the Department of Defense and to Congress. The current estimate of total program acquisition cost, schedule, and performance data is compared against the Selected Acquisition Report baseline, and a disciplined approach to the calculation and categorization of variances is applied.
>
> Quarterly Selected Acquisition Reports are submitted on an exception basis when there has been a 15 percent or more increase in program acquisition unit cost or current procurement unit cost (in then-year dollars), or a 6-month or greater delay in the current estimate of any schedule milestone since the previous Selected Acquisition Report. [Ref.22:p.17-1]

C. PERCEIVED DOD MISMANAGEMENT

Within a couple of years of President Reagan's major increase in defense spending in the early 1980s, the press began issuing reports of exorbitant pricing on DoD purchases. Much attention was focused on Senator Charles E. Grassley (R-IA) when he released the discovery that the Air Force was paying $916.55 for a small plastic cap for the leg of a navigator's stool. The Project on Military Procurement, the organization who provided the information to Senator Grassley, was flooded with phone calls from congressional staffers who wanted their own example of outrageous costs so that their bosses could also get favorable press attention. The stories were getting the Congressmen favorable reviews back home.

The April 13, 1985 issue of the Washington Post reported about DoD pricing abuses that included examples of: $437

hammers, $659 ashtrays, $640 toilet seats, $3,046 coffee makers, $9,000 wrenches, and $748 duckbill pliers. Reports such as these sent a negative message about DoD procurement policies to the public and Congress. [Ref.27]

Most of the outrageous prices could be explained as the Government's accepted method of applying overhead costs. But those stories fell on the mute ears of the press, who at best gave it back page coverage.

J. Ronald Fox author of The Defense Acquisition Process: An Overview, states:

> Although television, radio, and print media repeatedly contained reports of these high-priced items, they rarely - if ever - explained that the high prices frequently had to do with the allocation of overhead costs and the rigor of military requirements as much as or more than they had to do with implied contractor overcharges.
>
> Government regulations require that overhead costs (i.e., costs associated with more than one program) be distributed in equal percentage among a contractor's products. Under this system, prices for small items are often artificially inflated and those for large items artificially reduced. Overhead costs have to be absorbed one way or another, but if the allocation system results in pricing anomalies and is not adequately understood or explained by the media, the public is misled. [Ref.8:p.31]

The sensational news reports took the attention of the public, DoD, and the Congress away from far greater cost problems in the defense acquisition process. Fox explains:

> Numerous researchers and presidential commissions during the past twenty-five years have concluded repeatedly that opportunities exist to save tens of billions of dollars per year by improving the acquisition process. [Ref.8:p.32]

D. HISTORICAL PERSPECTIVE

Major presidential commissions dating back to 1949 have indicated that billions of dollars could be saved by improving the acquisition process. [Ref.8:p.12]

Fox noted that the studies repeatedly urged Congress and the Defense Department to correct five basic deficiencies:

1. Setting requirements for the most sophisticated system attainable, often irrespective of cost;

2. Underestimated schedules and costs of major programs, distorting the decision-making process for the allocation of the national budget;

3. Changes in program and contract requirements caused by changes in military user preferences, leading to annual or more frequent changes in program funding levels, initiated by Congress and DoD itself;

4. Lack of incentives for contractors and government personnel to reduce program costs; and

5. Failure to develop sufficient numbers of military and civilian personnel with training and experience in business management and in dealing with industrial firms to oversee the development and production of enormous, highly technical industrial programs. [Ref.8:p.32]

Even with increasing defense budgets over the 1980s, major defense programs have continuously experienced schedule delays and cost overruns.

> Schedules have been extended by about 33 percent in approximately one-half of the programs. Again, more than nine in ten programs exceeded initial cost estimates, and the average increase in cost for the majority has been more than 50 percent, excluding the effects of quantity changes and inflation. [Ref.11]

Cost and schedule overruns or increases have been the rule not the exception for many years. In the 1960s, no single program came in at or below its projected cost. [Ref.4]

Even though the 1960s and 70s had problems, they were nothing in comparison to what occurred in the 1980s.

Examples of programs with cost increases in 1981 include: [Ref.5]

- Navy's Aegis Cruiser program, $8.4 billion increase.
- Navy's current submarine, frigate and destroyer programs, $42 billion increase.
- Navy's Trident program and Air Force's F-16 program, $33 billion increase.
- Navy's 5-inch Guided Projectile program, more than $300 million increase.
- Navy's Tomahawk Cruise Missile program, $450 million increase.
- Navy's frigate (FFG-7) program, $5 billion increase.
- Army's heavy-tank (M-1) program, $13 billion increase.
- Army's UH-60A helicopter program, $4.7 billion increase.

James Lindsay, author of the article, "Congressional Oversight of the Department of Defense: Reconsidering the Conventional Wisdom," provides three historical examples of oversight that are very illuminating:

> A classic case of how parochial concerns led members of Congress to review a DoD program was the 1982 Senate debate over upgrading U.S. airlift capacity. In the initial fiscal year 1983 defense budget, the Air Force requested funds for both the C-5b (built by Lockheed) and the C-17 (built by McDonnell Douglas) aircraft. Sen. Henry Jackson (D-Wash.), however, convinced his colleagues on SASC to buy Boeing 747s, which were built in his home state, rather than C-5bs. This move touched off a furious legislative battle between partisans of both companies. In the end, Congress chose to proceed with the C-5b program, but as a sop to Senator Jackson it also decided to buy three used 747s (at a cost of $145 million). Although this battle produced what to many was wasteful defense spending (i.e., the three 747s), it also focused high-level

political attention on the whole issue of U.S. airlift capacity.

The A-10 close air support (CAS) aircraft provides a second example of how parochial interests offer incentives for congressional oversight. As the result of an interservice agreement reached following its creation as a separate service, the Air Force won responsibility for providing CAS for army troops engaged in ground combat. The Air Force, however, traditionally has placed a low priority on the CAS mission. In particular, it has been reluctant to buy A-10s, even though Army officials repeatedly complain about a lack of CAS aircraft and even though the A-10, which "has shown high operational reliability and an excellent armor-killing capability," is considered by many weapons experts to be one of the best weapons in the U.S. arsenal. Rep. Joseph Addabbo (D-N.Y.), while chair of the House Appropriations Defense Subcommittee (HADS), however, succeeded in forcing the Air Force to buy more A-10s. In monitoring the issue of CAS, Representative Addabbo had a clear incentive: the Grumman Corporation, the prime contractor for the A-10, was based in his district.

The battle over the Navy's F/A-18 Hornet aircraft offers a third example of how parochialism can stimulate congressional oversight. The Hornet was initiated in the mid-1970s as a dual-mission fighter/attack plane, but by 1980 questions had arisen about the feasibility of a dual mission plane and about the rising cost of the program. The Hornet's problems attracted criticism from Representative Addabbo as well as from the second-most senior member of HADS, Rep. William Chappell (D-Fla.). In 1983, Addabbo and Chappell together led hearings into the problems plaguing the F/A-18 program. In doing so, both had a clear parochial interest in ferreting out the Hornet's flaws. Many of Addabbo's constituents worked for the Grumman corporation, builder of the F-14 and A-6 aircraft, which the F/A-18 would replace. In Chappell's case, Pratt and Whitney, which built engines for the F-14 and A-6 but not for the F/A-18, owns a plant in his home state of Florida. [Ref.19:p.19]

E. CONGRESSIONAL RESPONSE TO COST OVERRUNS

Congress responded to these cost overruns by increasing and intensifying its oversight over DoD's acquisition programs. Driven by increasing criticism of Congress' failure to control DoD's wasteful spending, Congress crossed the fine

line between oversight and micromanagement. Members of Congress responded to the problem by increasing their own involvement in the acquisition process. They now pursue operational details in the procurement of weapon systems versus setting broad policy goals for DoD.

The authorizers and appropriators responded by a line item by line item budget review process. "Appropriation line-item adjustments doubled during the 1970's and grew by another 85 percent between 1982 and 1987." [Ref.18:p.6] In criticizing the authorization process Senator Sam Nunn stated:

> The Armed Services Committee now authorizes almost every element of the defense budget each year, down to almost the last screw and bolt....At its worst this tendency has spurred not unreasonable charges of congressional "micromanagement"....But even more troublesome, this trend to micromanagement has the staff and members focusing on the grains of sand on the beach while we should be looking over the broad ocean and beyond the horizon. [Ref.13:p.64]

Congress further responded to the public outcry for acquisition reform by implementing legislation designed to control the wayward acquisition process. Examples of legislation that affects military procurement and a brief description of each are listed below: [Ref.15:p.157]

- Public Law 98-72 (1983) Improves small business access to federal procurement information.

- Public Law 98-94 (1983) Calls for the use of independent cost estimates for major defense programs.

- Public Law 98-369 (1984) Requires competition in defense contracting.

- Public Law 98-473 (1984) Requires a competitive procurement plan prior to the initiation of full-scale engineering development.

- Public Law 98-525 (1984) Requires the use of prequalification procedures. It also established tours of duty for program managers.

- Public Law 98-577 (1984) Requires mandatory publication of procurement regulations in the Federal Register for a public comment period. It also requires Small Business Administration representatives be placed in major defense acquisition centers.

- Public Law 99-145 (1985) Describes allowable costs under defense contracts.

- Public Law 99-190 (1986) Requires employment of Alaskan and Hawaiian residents in military construction contracts in those states.

- Public Law 99-433 (1986) Organizes procurement policy staffs of military departments at the secretarial level.

- Public Law 99-500 (1986) Establishes the duties of the Undersecretary of Defense for Acquisition.

- Public Law 99-634 (1986) Prohibits subcontractor kickbacks to Government prime contractors.

- Public Law 100-180 (1987) Provides for congressional oversight of cost/schedule variances in certain programs.

- Public Law 102-202 (1987) Requires ten days notification to Congress before the DoD terminates multiyear contracts.

- The Conference Report on HR4264 (1988) requires:

  * DoD profit policies be kept current.
  * Establishment of the Public/Government Advisory Committee.
  * Establishment of the Industry/Government Advisory Committee.
  * The DoD to submit a report to Congress on streamline acquisition procedures.

- The Defense Acquisition Workforce Improvement Act (DAWIA) (1990) requires the following actions:

  * Designate Acquisition Positions
  * Specify Education, Training and Experience Requirements
  * Provide Career Paths
  * Create Acquisition Corps

* Identify Critical Acquisition Positions
* Implement Other Provisions

F. THE PUBLIC LAW 98-212 DISASTER

Every piece of legislation required the DoD to write implementing regulations, (e.g., Federal Acquisition Regulation), further complicating the military acquisition process. The use of legislation to govern the DoD's acquisition programs sent a message to the DoD that they could not be trusted to procure weapon systems. A White Paper written to the President of the United States stated that the first goal to establish effective military acquisitions is to "re-establish trust between DoD and the Congress." [Ref.18]

The poor relations between the Pentagon and Congress further complicated the Acquisition Process. Congress perceived the Pentagon as noncooperative when implementing legislation that the Department of Defense did not agree with.

An example of Congress enacting a well intended piece of legislation with Department of Defense noncompliance is Public Law 98-212 (1983) which requires the Department of Defense to obtain warranties from defense contractors. The Tank and Automotive Command complied with the legislative mandate by paying for:

> $23.6 million worth of warranties bought on six major weapon systems. In 1984 and 1985, the army claimed only $38,987 in reimbursements. The army paid $9.9 million in warranties on its M-1 tanks, but was reimbursed for only $10,453 worth of claims by the end of the warranty period in 1987. [Ref.15:p.159]

Clearly Congress did not foresee the poor return on the warranty investment. If Congress knew that a piece of legislation would end up needlessly costing the taxpayers more money, they never would have enacted it. They believed they were enacting a public law that would be in the country's best interest. Congress instead enacted legislation that cost the taxpayers millions of dollars. Congress should not hold the sole blame for the failure of this program. The DoD should share equal blame in the warranty plan failure. The researcher learned during his nine years as an automotive, tank, communication and weapon repair officer that warranties are often not used. First, the typical maintenance soldier in the field is unclear what is warranty work and what is not. When a soldier works on a warrantied piece of equipment it usually voids out the warranty. The soldier's chain-of-command must share part of the blame for this activity. The other part of the blame lies with the Program Office which does not get the warranty information down to the user level.

Another factor in the failure of Public Law 98-212 is cultural climate within the command. Senior Military Service Commanders do not want to hear that the repair of an unserviceable piece of equipment has been delayed due to warranty work by the contractor. They want their equipment fixed and they want it fixed now. Equipment readiness rates are of utmost importance to those commanders, as they are very visible at the General/Admiral Officer level. It is the

General Officer level that will write their Officer Evaluation Reports. Consistent poor readiness rates could negatively impact an officer's career through poor evaluation reports.

Hence, both the DoD and Congress can share in the blame for Public Law 98-212's failure. Mistakes of this magnitude will only stop occurring when an atmosphere of honesty and cooperation between the two organizations exists.

G. THE MICROMANAGEMENT TREND CONTINUES

The tendency for congressional micromanagement of military operations shows no sign of lessening. In its report on the Department of Defense Authorization for the fiscal year 1990, the House Armed Services Committee made 215 requests on all sorts of topics. An additional twenty such studies were imposed during the debate on the House floor. [Ref.6]

If Congress does not modify the methods it uses to micromanage the Department of Defense, no improvements in relations will occur. The DoD must also make ernest attempts to implement congressional legislation or the Congress will continue the micromanagement of DoD activities. The ongoing finger pointing and accusations between the two organizations further decay the relationship.

H. HISTORICAL SOLUTIONS TO THE PROBLEM

Both the DoD and Congress realize a solution to this problem must be found. But, solutions to this problem have been sought throughout the history of the United States. A study of history gives us many examples of attempts to reform the acquisition process:

> In the course of the French and Indian Wars, there were frequent complaints about high prices and inferior goods. In 1861, Congress established a select committee to inquire into allegations of waste and corruption involving military contracts. After World War I, the Nye Committee held highly publicized hearings on the same subject. During World War II, the Truman Committee focused on shortcomings in the war production effort. [Ref.15:p.166]

Acquisition reform is nothing new to the defense procurement process. Weidenbaum further suggests that:

> The most fundamental obstacle to improvement is the absence of a single central problem that plagues the defense procurement process. Consequently, there is no single panacea, no single action that will eliminate all or even most of the shortcomings in the military procurement process. [Ref.15:p.166]

An examination of the Packard Commission and 1990 White Paper recommendations yield similar results and recommendations. [Ref.18] They include:

- Re-establishing of trust between the DoD and Congress;
- Lengthening the time horizon and reducing detail and redundancy in the budget process;
- Focusing congressional oversight on more significant aspects of defense policy;
- Better integrating congressional policy goals and directives;
- Streamlining the regulations of the Government procurement process;
- Upgrading the calibre of the people in the Department of Defense who administer the regulations and carry out the procurement process; and,
- Involving the people and organizations who actually produce the equipment.

This examination of historical acquisition reforms, congressional oversight and micromanagement, has discovered that many suggested solutions already exist to alleviate the

acquisition problem. The Packard Commission suggestions listed above are an example of some of these solutions. The difficulty lies in the implementation of those solutions. The implementation can only occur when the DoD and Congress develop a better working relationship, one focused on providing world class weapon systems to the soldiers in the field.

The bottom line is that the Program Manager must understand the nature of congressional oversight. The PM will become a better leader by understanding the nature of that oversight. Through the use of proactive planning, the PM may anticipate how congressional oversight may affect his program. He can then plan strategies to deal with the interaction before it actually occurs. This puts the Program Manager back in control of his program. He is back in control because he is devising the strategies to deal with that interaction, rather than of reacting to oversight. A Program Manager who simply reacts to external influences will never truly be in control of his program.

The history of the acquisition legislation and studies show that solutions to acquisition problems are at hand. Murray Wiedenbaum author of, Small Wars, Big Defense - Paying for the Military After the Cold War, summed up this point well:

> Over the years, there has been no shortage of proposals to revise the way that the Department of Defense makes its purchases and indeed many changes have been made. The recurrent dissatisfaction with the status quo is hardly of

recent vintage. In the course of the French and Indian Wars, there were frequent complaints about high prices and inferior goods. In 1861, Congress established a select committee to inquire into allegations of waste and corruption involving military contracts. After World War I, the Nye Committee held highly publicized hearings on the same subject. During World War II, the Truman Committee focused on shortcomings in the war production effort.

Perhaps the most fundamental obstacle to improvement is the absence of a single central problem that plagues the defense procurement process. Consequently, there is no single panacea, no single action that will eliminate all or even most of the shortcomings in the military procurement process.

...It will take at least three major types of changes to truly reform military procurement. The first category of reform is to streamline the regulations themselves, eliminating counterproductive restrictions and stripping out nonessential detail. The second is to upgrade the calibre of the people in the Department of Defense who administer the regulations and carry out the procurement process. The third involves the people and organizations who actually produce the equipment. [Ref.15:pp.166-167]

VI. PROGRAM MANAGER - PUPPET OR PUPPETEER

A. INTRODUCTION

This chapter examines how the program manager should anticipate and interact with Congress. It will also examine the do's and don'ts of program management.

The major premise of this thesis is that the Program Manager can influence all facets of his program. Most of the time, he is not a victim of congressional directives. A proactive and positive attitude will assist the PM in heading off congressional problems before they occur. PMs who respond in a reactive manner will never be in control of their programs.

Congress, and the politics included in that legislative body, influence the military acquisition process. The budget and oversight functions of Congress will affect military acquisition programs. The Program Manager who understands the nature of that interaction, can best anticipate its occurrence.

B. IDEAS FOR THE PROGRAM MANAGER

1. The Mental Process

First and foremost, the Program Manager is in charge of his program. He is ultimately responsible for developing a program that will meet all cost, schedule and performance

criteria. A strong leader can direct his program through the dynamic acquisition environment. A weak Program Manager will become bogged down in the bureaucracy of a very complicated process.

The PM must keep in mind that he has a formal chain of command to answer to. He must also realize that influences outside of his chain of command will affect the development of his program. Congress is one of those organizations that will affect a program's progress. Certain leadership traits to include honesty, forthrightness and common sense, will have to be exhibited by the PM should it become necessary to respond to congressional directives. PMs who work well with Congress can actually strengthen their programs.

2. **Honesty and Forthrightness**

Honesty and forthrightness are of bedrock importance in order to build a credible relationship with Congress. Without credibility the PM will be unable to influence Congress or effectively run his program.

Loyalty to the program should not be allowed to cloud the truth. If the program is experiencing cost overruns, schedule delays or performance shortfalls, the PM should be up-front with his difficulties. The ingrained "can do" attitude of military officers needs to be realistically adjusted to account for the inexact science of acquisition management. No one who works within the acquisition process realistically expects no setbacks in a program's development.

If a congressman or staffer asks a question about a program, honest answers should be developed in a timely manner without giving additional information or being overzealous in promoting the program. Promises or commitments that will be extremely difficult to fulfill should not be made.

It is also important when a request for information comes from Congress that the PM ask himself, "why is this question being asked"? The question may include a hidden agenda that requires a response with either sensitive and/or special phrasing. The PM, once again, when phrasing his response must focus only on answering the question being asked. Even though the PM truly believes he has nothing to hide, added information invites further questions and attention from the congressman's office.

If an answer is not available in a timely manner, an interim response that an answer is forthcoming should be made. The PM should focus his immediate efforts to ensure that a thorough and timely response is being drafted. A response should never leave a PM's office without being checked for accuracy.

Accuracy alone is not enough to ensure a response to a congressional inquiry is adequate. The routing of that response is equally as sensitive. The Program Manager's formal chain of command must be kept informed of all congressional inquiries. Either the Program Executive Officer (PEO) or the Service Acquisition Executive (SAE) may have

further insight into the nature of the inquiry. Their guidance may be necessary in order to draft an adequate response. The chain of command should never be surprised by a response to Congress that was routed around their attention. An appropriate response should be routed through the chain-of-command to the Office of Legislative Affairs or Public Affairs Office as appropriate to the situation.

A wise PM will also attempt to determine how much information Congress already has about the subject matter. Existing reports and testimony to Congress may make your response appear inaccurate or inconsistent with existing facts. Understanding the congressional information base will also assist the PM in drafting his response to Congress. Congressmen, similar to military General/Flag Rank Officers, often ask questions to which they already know the answers. It would be remiss by the PM to assume that all congressional questions are strictly related to fact finding. The question may be a challenge of a PM's credibility, knowledge, integrity, or simply an attempt to develop the public record on a matter that is of interest to Congress.

3. **Common Sense and Knowledge**

The Program Manager needs to make every effort to understand the environment within which his program exists. He needs to acquire technical knowledge about his project. While it is not necessary or feasible that he obtain the same technical level that his system and functional engineers

obtain, he does need to be able to speak intelligently about his program. He especially needs to be able to technically address the problem areas in his program. The PM needs to be able to explain problems to interested parties outside the program as well as intelligently discuss them with his own engineers.

Equally as important, the PM needs to learn about the political environment that he is developing his program within. Now more than ever, it takes a politically savvy PM to deliver a weapon system to the field. It is important to discern the difference between being politically aware and engaging in illegal or unwise activities. Being politically aware means that the PM must have a knowledgeable, common sense understanding about the nature of PM/congressional interactions.

The PM must also fully understand the DoD 5000 series manuals, the Federal Acquisition Regulation, and the Defense Federal Acquisition Regulation Supplement in order to implement the regulations that govern acquisitions. Those regulations provide the framework within which acquisition programs must be developed. Any deviations from those regulations could place the PM and the acquisition program in jeopardy.

If the PM feels the program is entering into an activity that may be construed as being improper, he should first obtain legal counsel or consult an ethics officer as

appropriate. Perceptions of impropriety can be as damaging to the PM as actual improprieties. No activities should be engaged in by the PM that approach any "grey areas" of propriety, without first obtaining a legal or ethical opinion. The PM will have to rely on his knowledge of the regulations and common sense to determine when this point has been reached.

Another common sense strategy the PM can engage in is the congressional education process. In order to begin such a risk management strategy, the PM needs to identify all the legislators that could potentially have an interest in his program and the nature of their concern. The PM should identify congressmen with prime and subcontractors linked to the PM's program, that reside within their states or districts. He should further identify the congressmen who serve on the defense Authorizing and Appropriating Committees in Congress. Knowing which committees and subcommittees have potential interest in defense contracting activities will assist the PM in answering congressional inquiries directed to the program. Having an idea of what the legislator is trying to accomplish with a legislative inquiry will assist the PM in composing an appropriate response.

The list of legislators will provide a risk management tool that will provide important information to the Program Manager. The more the PM understands about the political environment the better. It is that knowledge that

will also assist the program manager in developing an acquisition strategy to deal with the political environment. Knowledge of potential congressional inquiries places the PM in a proactive strategy mode rather than a reactive one.

C. EDUCATING CONGRESS

The successful Program Manager must be an effective salesman and proponent of his program. When used appropriately, a PM can gain valuable support through the education of members of Congress and their staffers.

1. The Education Process

The education process can take many forms and methods. The most common method used by the military to educate is the formal briefing process. A formal briefing, when effectively constructed and properly delivered, can be a powerful tool in selling a program.

The Program Manager should compose a briefing that focuses in on specific facts he wants to relay about his program. It is important to remember when composing the briefing that advocacy is desirable, cheerleading is not. The members of DoD, Congress and their staffs can easily tell the difference between the two. A cheerleading PM will attempt to sell their program at all costs. Their desire for the program to succeed will cloud other pertinent issues. They will attempt to guide the briefing around the negative aspects of his program. Those negative items brought up by the audience

will quickly be glossed over as either incorrect or insignificant. This kind of false optimism will probably be transparent to the audience. A cheerleading PM jeopardizes his credibility and that of his Program.

A PM who is an advocate of his program will be most effective by providing a truthful, forthright and factual account of the status of his program. The briefing will provide information about the weapon system's ability to meet the mandated requirements. He will avoid making operational promises that are not realistic. The PM will also be able to address any problem areas in regards to cost, schedule or performance aspects of his programs.

It is in the briefing process of congressmen and their staffers that credibility is developed for the PM and his program. A Program Manager who has done his research about his program, the political environment, and delivers an effective presentation will be positively received. Credibility carries a lot of weight on Capitol Hill. Once credibility has been lost, it is difficult, if not impossible to regain.

An effective Program Manager will carefully tailor the content of his briefing for the audience he is going to present it to. A personalized approach that presents the right information to the right group of people also develops credibility. For example, a member of Congress who sits on one of the Budget Committees will be far more interested in

the program's budget data than a member of Congress who sits on an agriculture committee. Here is where the PM's research into the political environment will pay great dividends.

Many times during a briefing, a question will be raised for which an accurate response may not be readily available. It is much better to defer answering a question than provide a piece of inaccurate information. It is important that an accurate follow-on answer is provided in a timely manner.

It is a must to have a person sit in on the briefing to take notes of such questions. The note taker must be sure to take an accurate account of the question and to obtain from a staffer the name, address and phone number of the person who asked the question. A briefer who is focused on his presentation can easily forget questions or salient points that are raised further illuminating the need for clerical assistance.

2. The Incorrect Education Process

The Program Manager must avoid the pitfall of briefing the requirements instead of briefing the program. The requirements are not set by the program office. They are instead formulated by the Joint Requirements Oversight Council who then forwards it to the Under Secretary of Defense for Acquisition for approval or disapproval. A Program Manager's job is to develop a program that meets the requirement, not to

promote or defend the Under Secretary of Defense for Acquisition's requirement.

Another potential pitfall is the improper use of the chain of command. The proper use of the chain of command is as valuable to the acquisition community as it is to enlisted service members. Even though the PM may believe he has the best program in the armed forces, he must conduct business within the chain of command. PMs absolutely must avoid the temptation to personally contact legislators outside the chain of command to advocate their programs. If they are contacted by a member of Congress, they should report the occurrence through the chain of command to keep them informed. Even though the PM may be frustrated with the bureaucratic process, he must work within it.[1]

D. CULTURAL AWARENESS

To an outside observer the aforementioned suggestions may appear simplistic or mundane. The suggestions are not so simple to personnel who work within the culture of the armed forces. Every new officer in the military is quickly ingrained into the culture of the military. That culture which centers around mission accomplishment, provides a

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[1]It is the researcher's contention that every person working within the acquisition bureaucracy must work to reform it. If the PM is frustrated with the system, steps should be taken to change it. As the PM encounters unnecessary bureaucratic procedures, he should initiate change documentation to the governing regulation.

dilemma for the military acquisition Program Manager. The 43rd Edition of The Army Officer's Guide states:

> All officers of the armed forces, and all soldiers too, are bound by their Oath to do their utmost to achieve the prompt and successful completion of the mission assigned, even at the risk of their lives when necessity requires, and without regard to their personal views as to the correctness of the national policy or the wisdom of the orders under which they act. [Ref.16:p.7]

The researcher has learned from ten years of personal experience that the above quote is the main driving force in every successful Army officer's career. It is the very drive for mission accomplishment that creates a dichotomy of purpose for the military Program Manager.

On one hand, the PM wants to deliver his weapons system to the service member in the field. He fully believes that the soldier deserves only the best systems for the next war. Motivated by that thought, he drives his program forward to fielding. The PM will accept nothing less than a quality product built within cost, on schedule, and able to meet all performance characteristics. Anything short of meeting those goals would mean failure to the PM.

Program Managers are a very successful, select group of officers and civilians. All must have a solid performance history to attain a position of such responsibility. None of the Program Managers are accustomed to failure. Herein lies the dichotomy for the military officer. Given the mission to develop a weapon system, the PM executes a strategy to succeed. If the PM was allowed to operate in a vacuum with

total control of his program, there is little doubt he would succeed. Unfortunately for the PM, the real world is not so simplistic.

Many external influences to the program exist that are beyond the immediate control of the PM. This sets up a scenario that military officers are unfamiliar with. They are used to directing and controlling all their assets for mission accomplishment.

The external influences a Program Manager may experience include the following:

- Technical problems with the prime or subcontractor.
- Schedule delays from the contractors.
- Cost overruns that exceed budget allocations.
- Budget cuts from the Department of Defense.
- The failure of Congress to authorize or appropriate their program.
- Government test agencies who dictate what criteria the system must meet to pass Operational Test (OT) requirements. The same type of independent test agency conducts and evaluates the test independent of the program.
- Time sensitive inquiries from members of Congress or their staffers that take the PM's time to respond.

This list details just a few of the external influences that the Program Manager may encounter. The bottom line is

that these influences are virtually out of the PM's control. The fact remains that the Program Manager must deal with these influences as they occur. A proactive PM will attempt to intercede and avoid problems before they happen. Once again knowledge about the political and legal environment within which his program exists will allow the PM to devise an acquisition strategy that effectively navigates these obstacles.

Honest and open communication between the prime contractor and the program office is critical. A good PM can offer ideas and suggestions to assist the prime and subcontractor with their problems. The PM should have a broad pool of technical experts with a wide breadth of experience and knowledge to draw upon. The PM will strengthen his program by strategically using his personnel assets to assist with contractor problems.

The prudent Program Manager also realizes that problems will occur. The PM may experience problems for which no reasonable solution is in sight. When this type of problem exists, the PM should be wary of optimistic contractor promises.

The contractor does not want to have their contract terminated. When the situation gets desperate they may make promises that may not be realistic. When this occurs the PM must inform the chain of command of the problem.

Program setbacks must not be perceived by the PM as being a failure. Senior acquisition officials realize that problems will occur. They want to be informed when things go awry. They do not want to be surprised at a later date when nothing can be done to help. This may be construed by senior officers as an unforgivable failure.

E. CONCLUSION

The contention of this chapter is that the Program Manager will experience influences outside of the program office. The chain of command, Congress, contractors and test agencies can all affect the management of a program. These external agencies may make decisions about a program that the PM has little or no input into.

The fact remains that the Program Manager must deal with that influence as it occurs. The PM that is attuned to the potential for external influence on their program will be able to plan for their effects before they occur.

One strategy available to the Program Manager is to educate the decision makers before they interact and affect the PM's program. Through that education process, the decision makers will decide first hand the merits of the PM's program. The PM's desired outcome of the education process is to have informed decision makers as well as proponents to the program.

VII. RECOMMENDATIONS AND CONCLUSIONS

A. Scenario

The challenges facing Program Managers are difficult, yet surmountable. A PM who makes the effort to learn about his environment, will be best prepared to deal with it. Once he understands the acquisition environment, he will be able to use that knowledge to further strengthen his program. Understanding the external interactions that exist within that environment will be necessary for the PM to effectively deal with them.

The successful Program Manager will also need to remain flexible as his environment changes. Bold initiatives that will "rock" the acquisition community at its very foundation are now under consideration. For example, the 24 January, 1992, New York Times reports:

> In a shift that could save billions of dollars in future military spending, the Pentagon plans to suspend production of most new weapons after developing test models, senior Defense Department officials said today.
>
> The production phase is by far the most expensive stage in buying a new weapon, consuming 35 to 45 percent of the total cost, while the research, design and development of test models, or prototypes, usually represents 20 to 25 percent.
>
> Congress will ultimately decide whether the new plan goes into effect through its control over the Pentagon budget, and opposition appears likely because lawmakers, while generally favoring cuts in military spending, do not like to slash weapons manufacturing that benefits their districts and states. [Ref.23:p.1]

Revolutionary policy changes like this will demand that Program Managers become very innovative and flexible. Program Managers will have to have foresight to develop strategies to deal with these changes before they occur.

The acquisition environment today is clearly dynamic not static. Learning about, and planning for the new environment is necessary for successful program management in the future.

B. PRIMARY RESEARCH QUESTION

What is the effect that Congress has on the Military Acquisition Process?

Congress has both a macro and micro relationship with the Department of Defense acquisition process. It has a macro relationship from the standpoint that it creates legislation that has overall acquisition policy implications.

When Congress enacts authorizing and appropriating legislation that is not at the line item level, the relationship remains at the macro level. Once Congress begins authorizing and appropriating by line items, or engaging in oversight activities, the relationship turns micro. At this point, congressional interest may be directed towards a specific acquisition program.

The importance of the Budget Resolution cannot be understated at this point. It is the Resolution which sets the annual funding levels for the Department of Defense. When Congress makes significant cuts in the defense budget as is

occurring now, it will result in DoD defense acquisition program terminations and cutbacks.

These cuts are becoming so severe that it is forcing the Department of Defense to rethink its entire strategy on defense acquisitions. Proposals from the Department of Defense recommend that new weapons system acquisitions proceed only after a research and development prototype is produced. The technology would then be shelved until the need arises to produce the system. The Office of Assistant Secretary of Defense reports:

> The administration is seeking $267.6 billion in DoD budget authority for fiscal year 1993, $9.9 billion below the budget passed by Congress for FY 1992 and a decline of seven percent in real terms, adjusted for inflation. The cuts in the defense budget go beyond the steep cuts already undertaken - amounting to a decline in budget authority of over one-third in real terms since 1985. [Ref.25:p.1]

The proposed cuts will completely change the way the military acquisition community and Program Manager conducts their business. Instead of focusing on providing weapon systems to the field, they will be concerned with providing prototypes that they believe will be producible.

The decision to proceed with this type of acquisition strategy will initially reside with Congress. They will decide, with the input of the Department of Defense, whether this is a viable concept to pursue. The President will then have the ultimate decision through the use of his veto power.

This will be a difficult decision for Congress to make. Many legislators will be torn between enacting a defense policy they believe is correct or defending the parochial interests of the defense contractors in their legislative areas.

The military Program Manager is virtually at the mercy of the broad macro congressional-DoD relationship. But when the relationship turns micro between Congress and his program, the scenario changes. Once the Program Manager finds himself under the congressional oversight microscope, he is in a position to influence the oversight process. The manner in which the PM responds to a congressional inquiry may well determine how Congress responds in kind. If Congress is given satisfactory answers to their questions, the program may proceed as planned.

Conversely, we learned from the examples of the C-17, A-10, and F/A-18 in Chapter V that members of Congress can have hidden agendas behind the oversight process. In this type of oversight, the PM is a small player in a much larger issue. Here the PM can only provide factual responses to be used by the legislators as they see fit. The congressional - Department of Defense - Program Manager relationship is very complex. Even as these interactions are occurring, it might be impossible for the PM to determine why.

The PM's preparation to attempt to deal with this oversight must begin long before it occurs. Thorough research

should be conducted by the PM to learn about Congress and the environment within which the program exists. He needs to understand which members of Congress might have an interest in his program. He then specifically should try to understand the nature of that interest.

Once congressional oversight begins, the PM with an understanding of that interaction will be best prepared to deal with it. His research may reveal the nature of specific congressional inquiries. The inquiry may be related to formal House Or Senate Armed Services Committee oversight activities. The inquiry could also be related to the parochial interests of a legislator's district.

Only when the PM understands why a question is being asked can an appropriate response be drafted. If the PM understands the nature of a question, he can address the specifics of that particular issue. This may require the Program Manager to analyze the request in conjunction with which committees and sub-committees the legislator sits on. It may require further research into the legislator's district and how that might be linked to the response.

A well written response issued through the correct information chain will assist the PM in accomplishing his ultimate goal. That goal, as articulated by LTG August M. Cianciolo, Military Deputy to the Assistant Secretary of the Army (Research, Development and Acquisition), is to:

> Provide our soldiers world class equipment in sufficient quantity and in the shortest possible time,

consistent with sound business practices and within affordability constraints.[1]

C. SUBSIDIARY RESEARCH QUESTIONS

1. During what specific phases of the acquisition process do Congress and the DoD service officials interface?

a. The Budget

The overall relationship between Congress and the DoD acquisition community is primarily a "macro" one. The relationship turns "micro" when the oversight committees of Congress review defense programs.

The annual budget process is the one of the most visible interactions between Congress and the DoD. The Department of Defense facilitates the budget process through the Planning, Programming and Budgeting System (PPBS).

It was Secretary of Defense McNamara who realized that a formal system of planning would be necessary to accomplish the budgeting task. He developed the Planning, Programming, and Budgeting System which coordinates defense planning efforts at the national level of the civilian and military organization.

The Planning, Programming and Budgeting System is simply a decision-making process for allocating defense resources. The process takes almost two years to complete and involves four major players at the Washington D.C. level

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[1]As presented by LTG August M. Cianciolo during a briefing to the Army Acquisition students on 12 Feb., 1992, at the Naval Postgraduate School, Monterey, California.

(Office of Management and Budget, Office of the Secretary of Defense, Joint Chiefs of Staff, and the individual Armed Services). These organizations, through an iterative process, move from broad planning considerations to more definitive program objectives to finally specific budget estimates which price out the programs.

The Planning, Programming, and Budgeting System (PPBS) can be summarized in a few words. Based on the anticipated Threat, a Strategy is developed. Requirements of the strategy are then estimated and Programs are developed to package and execute the strategy. Finally, the costs of approved programs are Budgeted.

There are three phases to the Planning, Programming and Budgeting System:

1. A planning phase, where the global threat is assessed and strategy to meet the threat is defined. Most of the planning function is conducted by high level military officials in the Pentagon and White House. The goal of this phase is to ensure that the nation's defense needs are provided for.

2. A programming phase, which translates the strategic plans into programs defined in terms of forces, personnel, material, and dollars.

3. A budgeting phase, which expresses the programs in terms of biennial funding requirements. In the budgeting phase, program needs for the year(s) for which the budget is

being developed are expressed by appropriation as required by Congress. As it is being developed, the service budgets undergo vigorous internal Departmental and DoD review, analysis, justification, and revision. The defense budget is then incorporated into the President's budget and is presented to Congress in January.

The first step Congress takes in the budget process is to write the Concurrent Budget Resolution. The Budget Resolution is the responsibility of the House and Senate Budget Committees. The Budget Resolution is the document that sets funding ceilings for major funding areas on the nation's budget. It also establishes revenue targets that are used to fund the budget. Stanley Collender author of, The Guide To The Federal Budget, describes the Congressional Budget Resolution:

> The congressional budget resolution is Congress's budget. It sets the total level of budget authority, outlays, and revenues (and, therefore, the deficit or surplus), and determines priorities by dividing these totals among the budget functions. The major purpose of the budget resolution is to provide a fiscal blueprint for all congressional committees; once it is adopted it will be used through the year to determine whether spending and revenues comply with the limits being set. [Ref.24:p.49]

The Department of Defense is primarily interested in the budget authority for the defense function. This amount includes the entire amount of money that will be provided to the Defense Department for the fiscal year. Unlike the Authorizing and Appropriating Committees, the House

and Senate Budget Committees avoid setting spending limits on specific defense programs.

The authorizing committees then draft legislation providing the DoD with authority to establish or maintain acquisition programs. The legislation will provide funding levels in specific amounts or less specific amounts to ensure the program can be implemented. The authorization process does not create budget authority though. Budget authority is authorized through the approval of the appropriation legislation.

The trend since the Armed Services Committees' inception in 1946 has been to increase its line item reviews of the authorizing legislation. This line-item oversight actually authorizes some DoD programs individually. When this occurs, the authorization committees move their relationship with the DoD into the micro category.

The next major step in the budget process lies with the Appropriation Committees of Congress. The Appropriation Committees draft five appropriation bills that affect the DoD. The DoD acquisition community is primarily concerned with the Department of Defense Appropriation Bill.

It is that piece of legislation that funds or grants budget authority to DoD acquisition programs. If an acquisition program has congressional interest, it will be given line item budget authority by the appropriations legislation.

It is physically impossible for every member of Congress to review every piece of legislation they must consider. That is why most pieces of legislation have an accompanying report that condenses the contents of the bill. Many times a piece of legislation will not appear to contain specific guidance concerning a DoD acquisition program. This guidance may be found in the accompanying report to the legislation. Although these reports are not law, Congress expects the DoD to heed the report's guidance.

b. The Acquisition Phases

Congress can influence the acquisition process throughout the entire life-cycle of an acquisition program. The interaction occurs throughout the budgeting and oversight functions of Congress. For either policy, parochial, or reelection purposes, members of Congress may have an interest in an acquisition program whenever they desire.

The nature of the congressional interaction is very complex. Specific congressional committees have responsibility for formal oversight of the acquisition process. Their ability to conduct the oversight function is significantly limited due to time available to the legislator. Time constraints make it impossible for members of Congress to oversee every acquisition program. Legislatively mandated reports like the Selected Acquisition Report, give Congress visibility of program cost, schedule or performance problems. This quarterly report alerts legislators to problems on an

exception basis only. No oversight system exists within Congress to evaluate every acquisition program.

Congress does appear to pay particularly close attention to new program starts. They eventually review the request for a new program start as a portion of the President's budget. After a concurrent budget resolution is drafted, defense hearings are conducted, authorization and appropriation legislation is passed, and the President approves the budget, a new program initiation normally begins. Once the program is funded and it passes a Milestone I review, the program is formally initiated.

Informal oversight can also occur throughout the life-cycle of an acquisition program. Members of Congress outside of the formal oversight review committees may also have interests in specific acquisition programs. Parochial interests may drive oversight.

c. Oversight and Micromanagement

The other primary relationship between Congress and the DoD involves the oversight of DoD acquisition programs. When Congress conducts the oversight function, a "micro" relationship begins to exist.

The Program Manager is acutely aware when Congress takes an interest in his program. Inquiries from members of Congress or their staffers will indicate for one reason or another, that congressional interest is focused on his program.

2. What is the nature of this interaction? What are the purposes and implications of this interaction? What is the motivation behind congressional action?

Members of Congress have various motivations to oversee Department of Defense operations. First, most members of Congress are genuinely concerned with the defense of our country. They want to ensure that the DoD is properly implementing the policies that Congress has mandated. They also want to make sure that the taxpayers are getting their money's worth in defense acquisitions.

Second, and possibly equally as important as the first, members of Congress want to be reelected. Oversight activities may serve as a powerful tool in a reelection campaign. James Lindsay points out:

> Because legislators need to win reelection to remain in Congress, they often pursue oversight activities with an eye toward potential political profit. [Ref.19:p.7]

Constituents look favorably toward congressmen who expose fraud, waste or abuse cases within DoD acquisitions. The exposed activity gives the taxpayer the impression that someone is watching out for their tax dollars.

Third, we must remember the importance of the committee system in Congress. Committees charged with the oversight of the Department of Defense, primarily the Armed Services and Appropriations Committees, do so with great diligence. The committees conduct the oversight function through hearings on defense issues, occasional visits to

defense plants and facilities, and spot checks on potential problem programs. It is important to not assume that Congress has a systematic method of overseeing all DoD activities. The job is much too vast with the time constraints placed on the legislators.

The final motivator is perhaps the much publicized, "pork-barrel politics." Every member of Congress wants to bring home to their constituents a piece of the Defense Department's budget. The desire to fulfill parochial interests is closely linked with their desire to be reelected. They assume that the defense contracts brought home will equate to votes later.

While it is illegal for members of Congress to tamper with the acquisition contract award process, they can attempt to pass legislation written in such a manner that encourages the DoD to award contracts in a specific area or even to a specific contractor.

3. **How will the Project/Program Manager benefit from understanding the role of Congress? Can congressional intervention be anticipated? What Program Manager response to congressional intervention would be considered appropriate?**

A Program Manager who understands the connection between his program and Congress will clearly be ahead of the PM who does not. A PM who is aware of that relationship will understand how Congress as an external influence can affect his program.

Research into Congress should focus on individual legislators who support or criticize his program and the basis for this interest. He should analyze legislators that have a parochial interest in his program. Research should also identify the committees and subcommittees that affect his program. Understanding which legislators sit on these committees and subcommittees will assist the PM in proper formulation of responses to congressional inquiries.

It is true that many congressional activities affecting a PM's program will be beyond his control. The PM must understand that this will occur, and then deal with it. An analysis of the nature of that interaction may illuminate why this interaction took place. If the stimulus that set off the congressional interaction occurred within the program office, the PM may be able to preclude it from occurring again.

Understanding why activities occur within Congress will allow the proactive PM to possibly anticipate congressional interactions with his program. Foresight of such interactions will allow the PM to create strategies to deal with the interaction before it occurs.

Establishing links within the military service congressional liaison offices may be very beneficial. They may be a great source of information of activities on Capital Hill. The contacts on Capital Hill should be used for

information purposes only, not as a means to bypass the chain of command.

When a Program Manager receives an inquiry from Congress, two important steps need to occur. First, the PM must ensure a timely and factually accurate response is drafted. The PM should carefully consider why the legislator is asking this particular question. The response should be tailored to meet the perspective of the legislator. It should then be routed through the chain of command and appropriate Office of Legislative Affairs or Public Affairs Office.

The response should answer only the question being asked. By rendering additional information, the PM risks further legislative interest and questions. Overly optimistic or conjectural answers should be avoided. The PM must ensure his response is factual and realistic.

4. Are there historical examples that illuminate congressional effects on the acquisition process?

Congressional oversight can be both useful and unnecessary, frugal and wasteful, desired and undesired. History of oversight shows us that all of the above is true. Program Managers need to study and learn from the historical examples of oversight. They especially need to understand the nature of that oversight. They then need to extrapolate that information to determine if any of those reasons for oversight apply to their program. By identifying the potential for oversight early, they can create strategies to deal with it.

The examples of the C-17, A-10 and F/A-18 discussed in Chapter V, illustrate some of the means and ends of congressional oversight. The greater understanding the Program Manager has about this interaction, the better he will be able to anticipate its occurrence.

D. FINDINGS AND CONCLUSIONS

The congressional - Department of Defense relationship is very complex. Congress, a political organization, relies on the committee system to conduct its work. Committees and Sub-Committees are specifically devoted to the defense activity. The committees consist of individual legislators with various policy and parochial agendas that guide them.

The oversight and budgeting functions are the primary two sources of congressional and DoD interactions. They are also the primary reasons the military acquisition Program Manager has interactions with Congress.

There are occasions, out of the control of the Program Manager, that Congress will direct a military acquisition program to take a specific course of action. This type of interaction is usually in the form of authorizing or appropriating legislation.

There are other interactions, primarily during oversight, where the Program Manager may be a participant. How successful the PM is during this interaction depends on the amount and type of preparation the PM used in anticipation of

the event. If the PM studied the composition of Congress to include committees and sub-committees, the environment his program is being developed within, the intricacies of his program, an examination of historical examples of oversight, he should be well prepared to effectively respond to and understand that interaction.

There is a strategy a Program Manager can engage in that may make congressional oversight unnecessary. That strategy revolves around the education of the members of Congress and their staff. Through the use of military briefings, Program Managers may have the opportunity to brief members of Congress about their programs. This education process allows the PM to inform the legislative decision makers about the attributes of their program. The goal of the education process is to inform as well as persuade the audience. If a member of Congress has confidence in the Program Manager and the program, it may divert his oversight attention elsewhere.

The current acquisition environment is very dynamic. Recommendations have been made by the Department of Defense to develop weapons systems through the research and development prototype stage. The prototypes would then be shelved until a need arises for their production. Concepts such as these will challenge the resourcefulness of the Program Manager of the future. The bottom line is that a careful analysis of the changing acquisition environment will have to be conducted by

Program Managers if they expect to meet tomorrow's acquisition challenges.

E. RECOMMENDATIONS

There are many ways a Program Manager can learn about the acquisition environment. Practical experience, selected acquisition readings, C-SPAN coverage of legislative acquisition events, are just a few of the resources available to the PM.

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